Infrastructure and Transportation

Annual Report
2006-2007

Alberta

Infrastructure and Transportation

Annual Report
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Preface

Public Accounts 2006-2007

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 20 ministries.

The annual report of the Government of Alberta released June 21, 2007 contains the Minister of Finance's accountability statement and the consolidated financial statements of the province. The *Measuring Up* report released June 28, 2007 provides a comparison of the actual performance results to the desired results set out in the government's business plan.

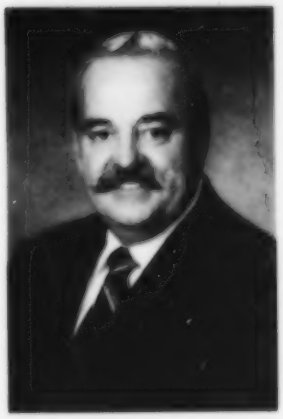
On December 15, 2006, ministries were reorganized and changes in the Ministry of Infrastructure and Transportation are shown in the Overview section of this document. This annual report of the Ministry of Infrastructure and Transportation contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan revised to reflect the reorganization. This Ministry annual report also includes other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2007, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 7, 2007 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Luke Ouellette
Minister of Infrastructure and Transportation

Message from the Minister



This past year has been full of challenges and opportunities for Infrastructure and Transportation in all areas particularly in dealing with high volumes of road and building construction as well as dealing with issues surrounding traffic safety on Alberta's roadways. As Alberta continued to experience tremendous growth, the need for adequate infrastructure and safer roads became even more pressing throughout the province. That said, Alberta's economic situation is the envy of most of the other jurisdictions in the country.

The province's robust economy does allow government to fund numerous projects in all regions of the province. Alberta Infrastructure and Transportation has taken proactive measures to manage growth pressures across Alberta. Through grant programs, government provided municipalities the funding they need to grow and thrive as driving forces of our economy.

For example, the Ministry invested a total of $75.3 million in 2006-07 to assist municipalities in the development of their water and wastewater treatment infrastructure with a focus on regional water systems. These systems are another example of how government and communities work together to provide safe, secure drinking water for Albertans. Alberta's municipal drinking water already exceeds national standards and the objective is to make sure this continues.

Alberta demonstrated leadership in environmental protection by adopting the Leadership in Energy and Environment Design (LEED) Silver standard in the design of new government-funded buildings. This action will reduce the impact of new buildings on the environment, conserve energy and save taxpayers money. LEED is a voluntary, points-based environmental rating system administered by the Canada Green Building Council.

Protecting Alberta's environment does not stop there. With the Go Green certification program for provincial facilities, government leads the way in improving energy efficiency and environmental sustainability in its buildings. The Go Green program, operated by the Building Owners and Managers Association (BOMA), emphasizes ecologically sound building operations by establishing performance standards in such areas as energy use and indoor air quality.

As announced in February 2007, the new Edmonton Remand Centre will be built next to the Edmonton Young Offenders Centre at the city's northern limits. The new remand centre will accommodate inmates from the existing downtown facility, which routinely houses 700 inmates, despite its original design capacity of 338. Construction should take three to five years to complete, and the new facility has been designed for future expansion. Public safety has been a top consideration throughout the design process.

Significant growth also means increased traffic in and around Alberta's two major cities. To help ease the impact on motorists, in October 2006, government announced the opening of the final eight-kilometre section of the Anthony Henday Drive Southwest Ring Road. The completion of the southwest ring road supports the ongoing growth of the Capital Region and creates a new and vital economic link within the province.

Meanwhile in Calgary, government signed a 30-year contract with the Stoney Trail Group to design, build, operate and partially finance Stoney Trail from its junction with Deerfoot Trail to 17 Avenue SE. The contract also includes maintenance of Stoney Trail NW from its junction with Deerfoot Trail to 16 Avenue NW. Motorists will be driving on the northeast leg of Calgary's ring road by the fall of 2009.

Increased traffic has a direct impact on safety for motorists. That is why the Alberta government took on the challenge of improving traffic safety by unveiling a comprehensive, made-in-Alberta Traffic Safety Plan. The plan is a strategy designed to reduce traffic-related deaths and injuries in the province. It outlines key initiatives to help prevent motor vehicle collisions, build safer roads, enforce traffic laws, and better educate all Albertans about traffic safety.

Motorists must realize that they are responsible for their own safety and for the safety of other drivers, passengers and pedestrians on our roads. Traffic safety needs to be a concern for everyone, and driver attitude is an essential component of any traffic safety plan.

This coming year, I will continue to work on the three mandates given to me by Premier Stelmach, which are to expand Alberta's highway network, implement the Traffic Safety Plan and develop a regional airport strategy.

As the province experiences amazing growth, I will continue to build on the department's successes, and alongside dedicated Ministry staff, work at meeting the increasing demand for infrastructure for the benefit of Albertans.

Luke Ouellette
Minister

Management's Responsibility for Reporting

The Ministry of Infrastructure and Transportation includes the Department of Alberta Infrastructure and Transportation, and the Alberta Transportation Safety Board. The executives within the Ministry have the primary responsibility and accountability for the Ministry. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Infrastructure and Transportation. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control, which give consideration to costs, benefits, and risks that are designed to:

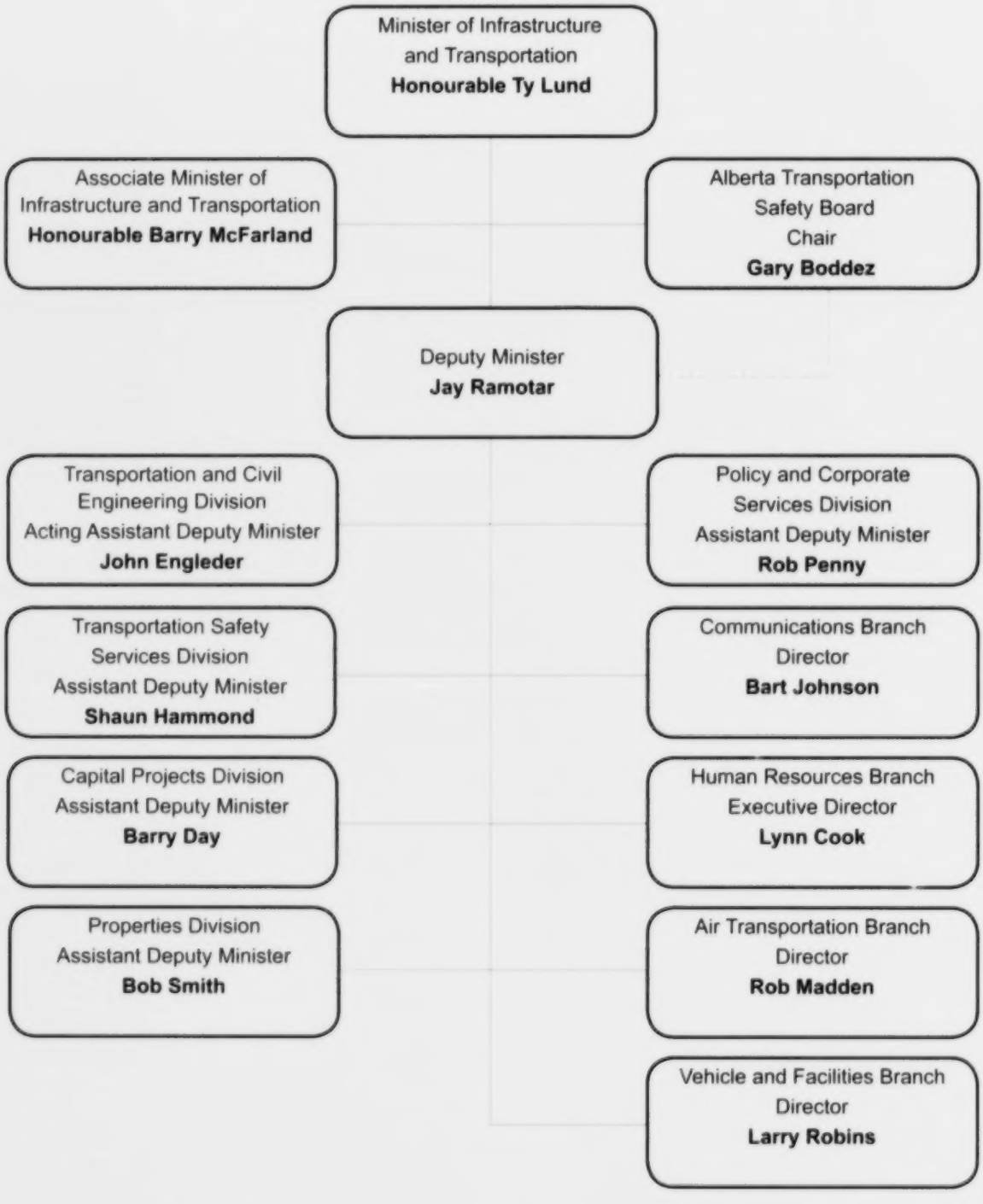
- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the province under Ministry administration,
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Infrastructure and Transportation any information needed to fulfill their responsibilities, and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executives within the Ministry.

Jay G. Ramotar
Deputy Minister
Infrastructure and Transportation
September 7, 2007

Overview

The following organizational chart represents the structure of Infrastructure and Transportation as at December 14, 2006, prior to government restructuring.



The following organizational chart represents the structure of Infrastructure and Transportation as at March 31, 2007.

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and Transportation
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Vision

Alberta Infrastructure and Transportation is a Centre of Excellence providing effective infrastructure to support Alberta's growth and prosperity.

Mission

We contribute to Alberta's economic prosperity and quality of life through the provision and support of effective, safe, innovative and sustainable transportation, public buildings, and water and wastewater infrastructure.

Core Businesses

Core Business 1: Manage provincial transportation safety programs

Core Business 2: Plan, develop and manage government owned and leased infrastructure

Core Business 3: Partner with municipalities, boards and other government departments and agencies to plan, develop and implement infrastructure that meets local and government needs

Core Business 4: Represent Alberta's interests in transportation policy

Top Government Priorities

In conjunction with other ministries, the Ministry supported top priority government initiatives through its activities.

Saving Lives and Reducing Injury on Alberta Highways

- Introduced the Alberta Traffic Safety Plan

Building Infrastructure for Our Future

- Lead development of the Government of Alberta Capital Plan
- Continued construction on the North-South Trade Corridor
- Continued negotiations for development of Southwest Calgary Ring Road

Using and Respecting the Land

- Secured funding for twinning Highway 63 from Grassland to Marianna Lake
- Provided funding to assist with water supply, water treatment and wastewater treatment and disposal facilities under Water for Life

Improving Alberta's Health System

- Worked with partners on development of fatigue management program for commercial carriers
- Provided technical expertise to Seniors and Community Supports regarding building supportive living units
- Participated in development of an integrated emergency management call centre

Building Aboriginal Self-sufficiency

- Collaborated with partners on an Aboriginal traffic safety project related to driver training

Results Analysis

AUDITOR GENERAL *Alberta*

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures

To the Members of the Legislative Assembly

Management is responsible for the integrity and objectivity of the performance results included in the *Ministry of Infrastructure and Transportation's 2006-07 Annual Report*. My responsibility is to carry out the following specified auditing procedures on performance measures in the annual report. I verified:

Completeness

1. Performance measures and targets matched those included in Budget 2006. Actual results are presented for all performance measures.

Reliability

2. Information in reports from external organizations, such as Statistics Canada, matched information used to calculate the actual results.

3. Information in reports that originated in the Ministry matched information that the Ministry used to calculate the actual results. In addition, I tested the processes the Ministry used to compile the results.

Comparability and understandability

4. Actual results are presented clearly and consistently with the stated methodology and are presented on the same basis as targets and prior years' information.

I found no exceptions when I performed these procedures.

As my examination was limited to these procedures, I do not express an opinion on whether the set of measures is relevant and sufficient to assess the performance of the Ministry in achieving its goals.

Fred J. Dunn FCA
Auditor General

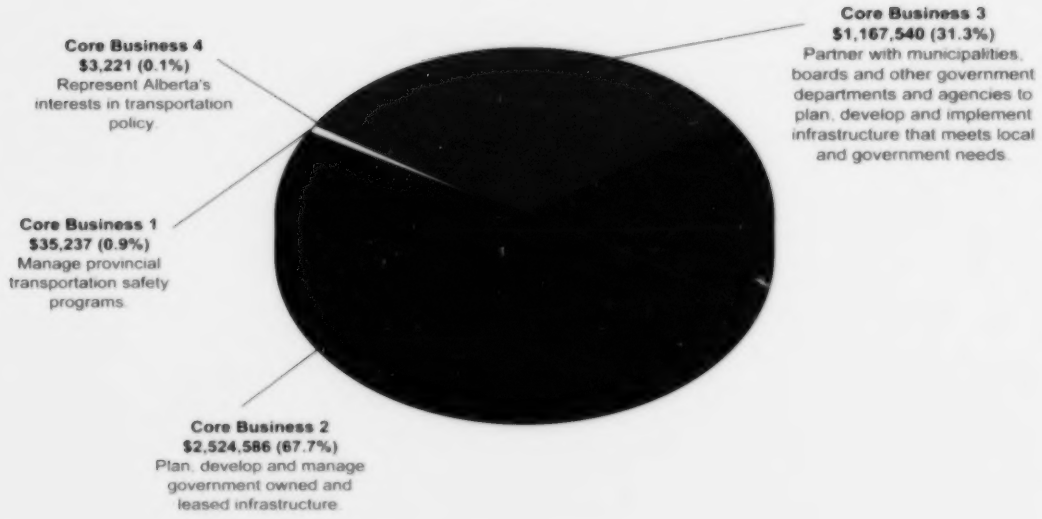
Edmonton, Alberta
September 12, 2007

Ministry Spending by Core Business

Financial Resources

(in thousands)	
Planned Spending (Estimates)	3,803,811
Total Authorized	4,119,881
Actual Spending in 2006-07	3,730,584
Actual Spending in 2005-06	3,661,945

Alberta Infrastructure and Transportation
2006-07 Ministry Spending by Core Business
(Operating Expense and Capital Investment Combined)
(000's)


Core Business 3
$1,167,540 (31.3%)
Partner with municipalities, boards and other government departments and agencies to plan, develop and implement infrastructure that meets local and government needs.
Core Business 4
$3,221 (0.1%)
Represent Alberta's interests in transportation policy.
Core Business 1
$35,237 (0.9%)
Manage provincial transportation safety programs.
Core Business 2
$2,524,586 (67.7%)
Plan, develop and manage government owned and leased infrastructure.

Initially, Alberta Infrastructure and Transportation received $3.8 billion in approved Planned Spending (Estimates) in 2006-07. During the fiscal year, the target Estimates were increased to $4.1 billion. The additional funding of $316 million was primarily the result of funding reprofiled from 2005-06 due to project delays, additional funding approved during the year for the Municipal Support programs, the new Edmonton Remand Centre and cost escalation for approved capital plan projects.

Overall, the total 2006-07 expenditures were lower than Planned Spending (Estimates) by $73.2 million, which was primarily due to under-expenditures in the Provincial Highway Systems and Strategic Economic Corridor Investment Initiative programs as a result of construction delays and major projects requiring staged delivery to 2007. Major projects include the North-South Trade Corridor, Edmonton and Calgary ring roads, and other strategic economic corridors such as Highway 63 and 881.

The $68.6 million increase in actual spending during 2006-07 compared to 2005-06 is primarily the result of additional funding received from the federal government for public transit as part of the Federal Funding for Cities and Communities Program, and an increase in the Provincial Highway Systems and Strategic Economic Corridor Investment Initiative programs attributed to additional funding approved in 2006-07 for provincial highway construction projects.

This was offset by a decrease in energy rebate rates as a result of lower natural gas prices in 2006-07.

Expense by Function

In accordance with Government of Alberta accounting principles, Infrastructure and Transportation classifies its expenses into nine functions. Each of these functions identifies the principal purpose for which Ministry expenditures are incurred. It should be noted that Expense by Function is only for operating expenditures.

Expense by Function by Dollars (in thousands)	2006-07 Budget (Estimates)	2006-07 Actual	Comparable 2005-06 Actual
Transportation, Communications and Utilities	2,021,850	2,160,048	2,319,880
General Government	417,261	395,759	359,218
Protection of Persons and Property	37,905	38,947	33,996
Health	3,407	29,455	1,623
Environment	22,125	26,474	25,358
Agriculture, Resource Management and Economic Development	16,108	15,934	16,022
Education	3,407	4,911	2,164
Housing	0	2,402	4,468
Regional Planning and Development	3,663	2,825	2,829
Total Ministry	**2,525,726**	**2,676,755**	**2,765,558**

Overall, approximately 95 per cent of the Ministry's expenditures support the functions of Transportation, Communications and Utilities and General Government.

Discussion and Analysis of Results

In 2006-07, Ministry spending supported the delivery of the following four core businesses:

Core Business 1: Manage provincial transportation safety programs

The specific Ministry programs linked to this core business include Transportation Safety Services, the Transportation Safety Board, the Vehicle Inspection Station component of Provincial Highway Systems, and a portion of Ministry Support Services.

Financial Resources (in thousands)	Operating Expense	Capital Investment
Planned Spending (Estimates)	38,439	1,484
Total Authorized	38,739	1,484
Actual Spending in 2006-07	34,474	763
Actual Spending in 2005-06	34,687	1,577

The total under-expenditure of $4.7 million relative to planned spending is primarily due to slower implementation of the Alberta Traffic Safety Plan than originally anticipated.

The $1 million decrease in spending during 2006-07 compared to 2005-06 is primarily due to construction delays for Vehicle Inspection Stations.

Goal 1 – Improve driver, vehicle, carrier, road and rail safety

Strategic Approach

- Implement the Alberta Traffic Safety Plan to reduce fatalities and injuries on Alberta's roadways.
- Pursue initiatives to support Road Safety Vision 2010, Canada's national road safety strategy, to meet national goals and make Alberta's roads safer.
- Enhance the safety of children through programs and initiatives focusing on child safety seats, bicycle helmets and other safety programs targeted to school-aged children.
- Continue implementation of the Graduated Driver Licensing program to enhance the safety skills of new drivers.
- Undertake safety audits at the highway planning and design stage to ensure overall integration of geometrics, traffic signals, pavement markings and other specialties, and identify rest area and roadside turnout needs in conjunction with highway improvements.
- Improve commercial driver safety through driver-training initiatives, hours of service regulation, fatigue management counter measures, and development and monitoring of commercial driver profiles with other jurisdictions.
- Improve highway safety by implementing enhanced elements to the national driver licensing reciprocity agreement, including implementing the Canadian Driver Licence Agreement.

- Improve highway safety through Intelligent Transportation Systems, including Automated Vehicle Identification for safe commercial vehicle operators.
- Ensure commercial vehicle safety through mandated periodic inspection and on-highway inspection programs.
- Renew the partnership with Transport Canada to ensure that the transportation of dangerous goods, a major component of Alberta's exports, is safe and secure within Alberta.
- Monitor provincial railways to ensure railway infrastructure and equipment conform to appropriate standards.
- Ensure the Transportation Safety Board has the resources it needs to conduct timely, fair and impartial appeals of departmental decisions concerning road and rail safety.

Results

- Released the Alberta Traffic Safety Plan (ATSP) to help prevent motor vehicle collisions, build safer roads, enforce traffic laws, and get the message out to all Albertans about traffic safety. The plan was developed in conjunction with 12 government departments and over 35 stakeholder groups and includes initiatives related to legislation, enforcement, driver education, public awareness and engineering. Release of the ATSP initiated community mobilization around traffic safety, as well as development of a three-year ATSP action plan.
- Facilitated passage of further provisions related to new vehicle inspection regulations proclaimed in force along with sections of Bill 39, the *Traffic Safety Amendment Act 2005*, which became effective January 1, 2007.
- Implemented Bill 206 of the *Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2003*. This new law allows police to seize a vehicle when the driver is charged with soliciting street prostitutes, and impound the vehicle until the matter is dealt with in court.
- Delivered traffic safety awareness information for children and adults through the Ministry's "saferoads" website. Additional information was provided on school bus safety, seasonal driving conditions, construction zone signage, passing emergency and construction workers, seat belt use, dealing with road rage, and sharing the road with cyclists. The Walk the Talk program teaching children safe ways to walk to and from school, continued to be offered to schools.
- Implemented electronic driver knowledge tests in conjunction with registry agencies to replace written tests for new drivers and people applying for other licence classes. The tests provide randomly selected test questions from a large pool of questions, ensuring every driver takes a different test. Electronic driver knowledge tests are available at all registry agent offices across the province.
- Provided Getting into Gear, a resource package aimed at junior high school students in grades seven to nine, to Ministry of Education. In addition, the Ministry received a Regional PACE award for the resource guide, Getting into Gear: Keys to Start Your Driving Experience. The American Association of Motor Vehicle Administrators presented the award in 2007 under the Print: Special Purpose category. The resource guide is designed to increase knowledge of Alberta's graduated driver licensing program and reduce the risk of teen accidents.

- Continued final phase of a pilot program testing counter measures to driver fatigue and consulted with Workers Compensation Board and Transport Canada on the development of a fatigue management program for commercial carriers.
- Implemented the Canadian Driver Licence Agreement, which aims to achieve the goal of having one driver, one licence and one record in North America and enhances driver licensing standards, licence card and identification security and reciprocity.
- Joined with the Transportation Training and Development Association and Red Deer College, to develop and implement the Professional Driver Certificate program offered through Red Deer College.
- Partnered with the Alberta Motor Transport Association to establish the Partners in Compliance Program and installed an Automated Vehicle Identification bypass system, which allows for a full bypass of vehicle inspection stations for carriers with excellent safety practices. Member carriers are required to file fewer recurring documents and are subject to fewer audits as a result.
- Collaborated with Transport Canada to renegotiate the Canada-Alberta agreement on the Transportation of Dangerous Goods to ensure safe and secure transportation of dangerous goods within Alberta.
- Monitored provincial railways to ensure compliance with standards, in accordance with the *Railway Alberta Act*, through inspections, reviews, and investigations. This included issuing approvals for railway operations and construction.
- Performed safety reviews on Alberta highways and identified opportunities for improvement to address accident prone areas "black spots" within the provincial highway network. As a result, a two-year program was instituted for engineering and infrastructure enhancements, including intersection signage, bridge approaches, improved lighting, enhanced pavement markings, shoulder rumble strips and centre rumble strips.
- Commenced construction of a post-and-cable barrier system on the Deerfoot Trail median from 16 Avenue North to Country Hills Boulevard. The barrier system will prevent vehicles from ricocheting back into traffic or crossing the median into oncoming traffic, should a collision occur.
- Expanded the system of camera-equipped road weather information stations by adding 36 new stations, for a total of 63 locations along Alberta's highway system. The images are available via website to enhance driving safety for travellers, and assist highway maintenance contractors in responding to changing road conditions.
- Opened a new interchange providing a direct road connection between the Foothills Medical Centre and the new Alberta Children's Hospital in Calgary. The interchange was completed as a joint project between the City of Calgary, the Calgary Health Region and the province.

On average, interchanges reduce collisions by 45 per cent and are considered the safest way to enter or exit a road or highway.

- Initiated construction of a European-style roundabout to replace the intersection of Highways 8 and 22. This is the first time a roundabout is being constructed on a rural highway in Alberta and will improve traffic flow and safety for motorists by eliminating left turns, lowering collision potential and severity when compared to the use of traffic signals. The design will also accommodate projected traffic for the next 25 to 30 years and the future twinning of Highways 8 and 22.

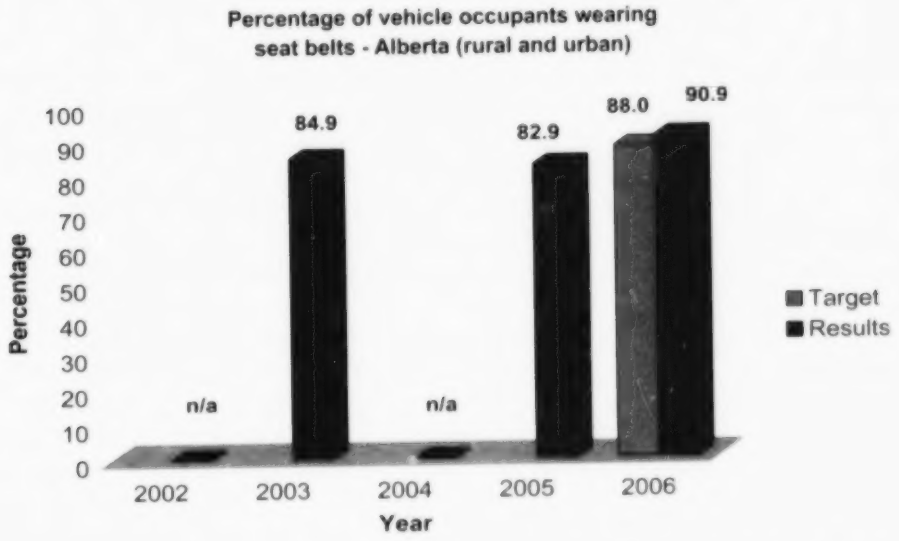
- Commenced construction of a new access roadway to the Hinton Healthcare Centre to increase safety for users of the facility. In addition, the project will provide a new entrance to the hospital and benefit the community with improved lighting and parking.
- Conducted a pilot study in conjunction with Justice and Attorney General, targeting Albertans with overdue traffic fines to pay voluntarily or face having income tax refunds or rebates diverted to pay the fines. This is intended to reduce the number of outstanding violations.

Performance Measures

Infrastructure and Transportation utilized four measures to indicate how well it achieved Goal 1 in 2006-07. *

Seat Belts

1.a Seat Belt Usage – Alberta[1]



This measure describes the percentage of seat belt use for light duty vehicles in the province. A comparison with national results is also included as supplementary information.

This goal supports Core Business 1, and Goal 1 from the Infrastructure and Transportation published 2006-09 Business Plan. The Ministry continually promotes the use of seat belts as one of its many strategies to improve traffic safety in Alberta. By tracking seat belt usage, compliance rates can be identified and further analysis conducted, to determine methods of improvement.

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* See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.

[1] Transport Canada conducts seat belt surveys every two years. The next overall seat belt survey is scheduled for the fall of 2007. Infrastructure and Transportation conducted a comparable survey using similar methodology in 2006 and will conduct the survey again in 2008 to meet reporting requirements.

Overall seat belt use in Alberta is increasing. Alberta's combined urban and rural survey results for 2006 stand at 90.9 per cent compared to 82.9 per cent in 2004-05.

The Ministry's target is to reach compliance rates of 95 per cent by 2010, matching Canada's national target.

The growing population and increasing number of licensed vehicle operators exerts pressure on Alberta to continue improving strategies advocating the benefits of wearing seat belts.

A survey of seat belt use in Alberta urban areas was conducted in the fall of 2006 in conjunction with Transport Canada's rural survey. The Transport Canada rural seat belt survey was a national survey that included data collection on age and gender of drivers as well as cell phone usage. Infrastructure and Transportation hired a third party consultant to collect the data in urban areas of Alberta and the consultant provided observation data directly to Transport Canada. The Alberta rural data was drawn from the national Transport Canada survey and combined and analysed by Transport Canada using a common method to produce the performance measure result.

For combined rural and urban data, the margin of error was plus or minus 0.4 per cent at the 95 per cent level of confidence.

The population census for 2001 was applied to allow comparisons with previous years. All census subdivisions having a population less than 1,000 were excluded from the survey as it represented less than 4 per cent of the population and the locations involved were difficult to reach. It was assumed that seat belt usage behaviour would be consistent within the same group (urban group or rural group) but may be different between urban and rural groups. Communities of the same size were grouped based on their demographic properties.

The following table shows provincial results compared to national results.

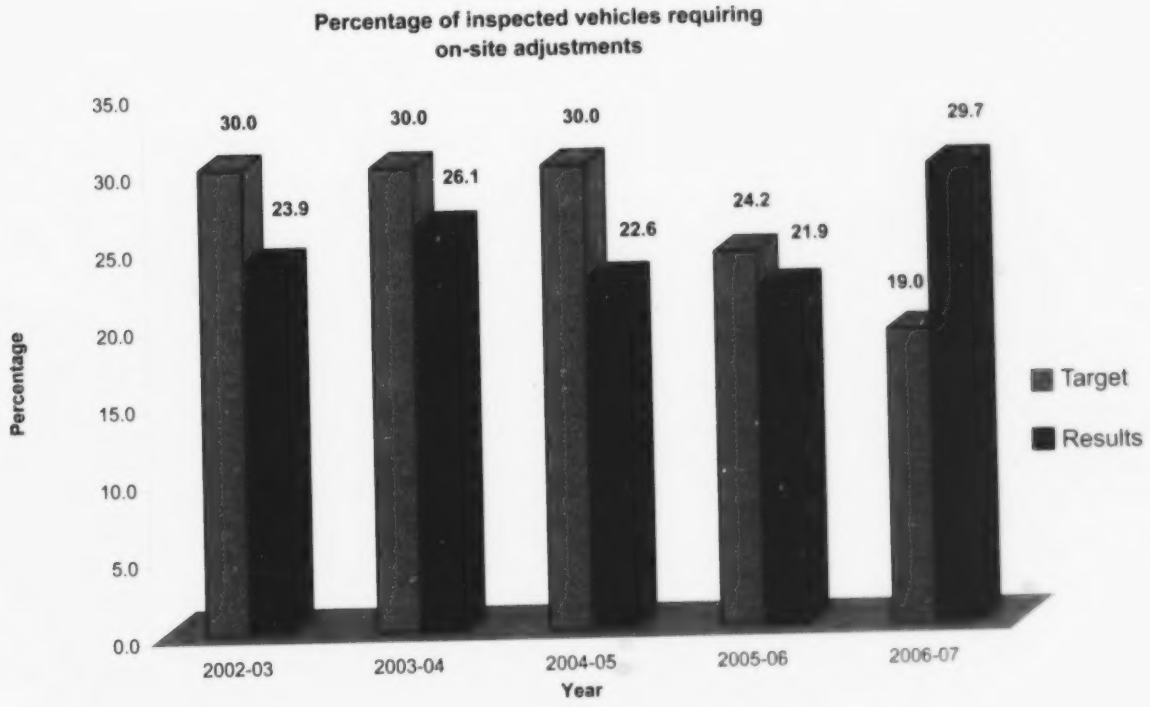
Percentage of Vehicle Occupants Wearing Seat Belts

	2002 [1]	2003 [1,2]	2004	2005 [3]	2006
Canada					
Rural & Urban Combined		87.4		90.5	90.8 [4]
Rural Only	85.0		86.9		88.3
Alberta					
Rural & Urban Combined		84.9		82.9	90.9 [5]
Rural Only	77.3		82.4		86.4 [6]

[1] Survey results for 2002 & 2003 are for front seat occupants only. Surveys after 2003 include all vehicle occupants.
[2] Combined results from Transport Canada 2002 rural and 2003 urban survey.
[3] Combined results from Transport Canada 2004 rural and 2005 urban survey.
[4] Combined results from Transport Canada 2005 urban and 2006 rural survey.
[5] Combined results from Transport Canada 2006 rural survey and Alberta 2006 urban survey.
[6] Result from Transport Canada 2006 rural survey.

Commercial Vehicles

1.b Mechanical Safety of Commercial Vehicles



This measure represents the percentage of a random sample of commercial vehicles that have been rendered out-of-service when inspected at roadside checks by Ministry staff. A lower percentage indicates a greater compliance with safety standards.

The Mechanical Safety of Commercial Vehicles measure is linked with Core Business 1 and Goal 1 from the Infrastructure and Transportation published 2006-09 Business Plan. This measure links to Goal 14 of the Government of Alberta 2006-09 Strategic Business Plan.

The Ministry continues to work with the commercial carrier industry to enhance safety on Alberta's highways through ongoing education and enforcement programs. Programs such as Partners in Compliance allow commercial carriers with exemplary safety records to self-monitor. The program also provides incentives for commercial carriers to ensure their equipment and business operations meet all prescribed safety criteria. In keeping with the Commercial Vehicle Safety Alliance, commercial vehicles over 4,500 kg are inspected throughout the year to ensure commercial vehicles traveling on Alberta's highways comply with all safety standards.

Results indicate an increased percentage of commercial vehicles that have been rendered out-of-service at roadside inspections. Data from several previous years indicate a declining trend, which means higher safety levels were being maintained by the commercial vehicle industry. The 2006-07 result shows a change from the previous trend.

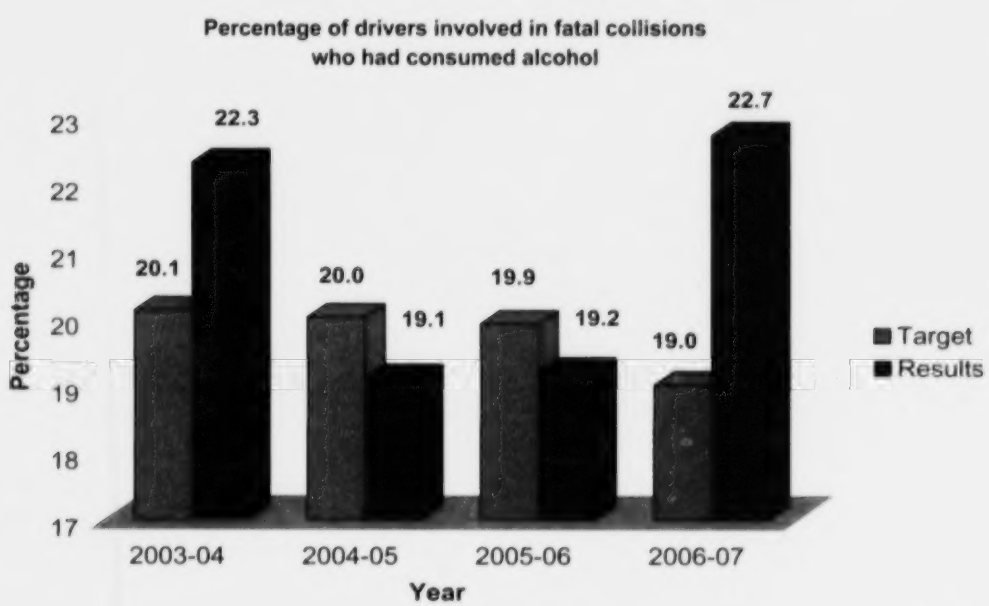
Growing inter-provincial and international trade combined with the need for quick, efficient transport has led to a significant increase in the number of trucks on Alberta's highways. In addition to domestic commercial road traffic, there was over $13.8 billion in international trade shipped by trucks to and from Alberta in 2006.

The continued economic growth in Alberta has resulted in an increase in commercial vehicle registrations. Therefore, there is an increase in the number of vehicles available for inspection. As a result of this increased truck traffic, Infrastructure and Transportation has increased its capacity to undertake inspections and monitor commercial vehicles. The Ministry will continue to work with the commercial carrier industry on education and information initiatives aimed at commercial vehicle safety.

Rapid economic and population growth creates an increasing demand for goods, which means more commercial traffic on Alberta's highway system. Just-in-time marketing and congestion at west coast ports also contribute to suppliers shipping their goods by truck rather than using other modes such as rail. Public awareness of road safety issues continues to put pressure on government to continually improve its monitoring of commercial carrier traffic.

Drinking Drivers

1.c Involvement of Drinking Drivers in Casualty Collisions



This measure indicates the percentage of vehicle operators in fatal collisions in Alberta who were judged to have consumed alcohol before the collision.

In support of Core Business 1 and Goal 1 from the Infrastructure and Transportation published 2006-09 Business Plan, the Ministry continued its efforts to educate drivers about the dangers of drinking and driving. This measure indicates the percentage of drivers involved in fatal collisions who had consumed alcohol before the collision.

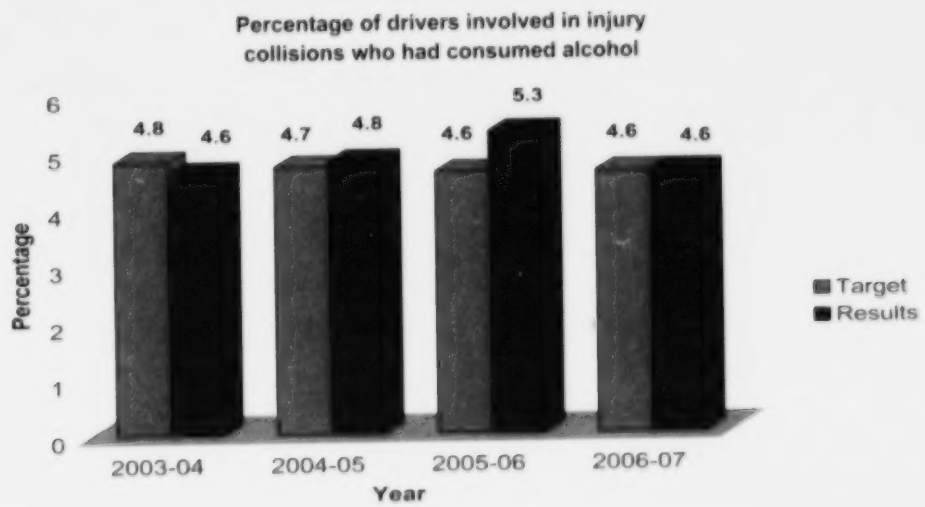
During the reporting period, there were a total of 525 drivers involved in fatal collisions in the Province of Alberta for whom a driver condition was specified on the collision report form. Of these, 22.7 per cent of drivers who were involved in fatal collisions were judged to have consumed alcohol prior to the collision. This compares to the target of 19 per cent. This figure increased 3.6 percentage points over the prior years' results.

In order to educate current and future drivers of the dangers of drinking and driving, Infrastructure and Transportation, with its many traffic safety partners, continues to undertake awareness, education and enforcement programs throughout the year. In addition, initiatives such as the Ignition Inter-Lock Program and periodic check stops deter drinking and driving. From its inception in December 1999 to March 2007, the Alberta Administrative Licence Suspension (AALS) program has resulted in 52,074 suspensions of Alberta drivers who were charged with having a breath or blood sample over 0.08 blood alcohol level or refusing a breath or blood sample demand. The Graduated Driver Licensing program introduced on May 20, 2003, includes a zero alcohol tolerance provision which continues while a driver is in either the learner or probationary category.

This reinforces Alberta's position against impaired driving. There has been 1,385 Alberta zero alcohol tolerance suspensions initiated between May 2003 and March 2007.

Alberta's population has been steadily increasing due primarily to the growing economy. Program enhancements and enforcement priorities may have impacts on this measure. Traffic volumes have increased by 16.14 per cent from 2002 to 2006 as recorded by Alberta's 368 Automated Traffic Recorder sites throughout the province. In addition, the number of licensed drivers increased by 8.2 per cent since 2002.

1.d Percentage of drivers involved in injury collisions who had consumed alcohol



This measure indicates the percentage of vehicle operators in casualty collisions (fatal and injury) in Alberta who were judged to have consumed alcohol before the collision.

In support of Core Business 1 and Goal 1 from the Infrastructure and Transportation published 2006-09 Business Plan, the Ministry continued its efforts to educate drivers about the dangers of drinking and driving.

During the reporting period, there were a total of 26,517 drivers involved in casualty collisions in Alberta for whom a driver condition was specified on the collision report form. Of these, 4.6 per cent of drivers who were involved in injury collisions were judged to have consumed alcohol prior to the collision. This matches the target of 4.6 per cent. In addition, 22.7 per cent of drivers in fatal collisions were judged to have consumed alcohol prior to the collision, above the target of 19 per cent. The figures have decreased 0.7 percentage points and increased by 3.6 percentage points, respectively over the prior years' results. As the severity of the collision increased, the involvement of alcohol dramatically increased.

In order to educate current and future drivers of the dangers of drinking and driving, Infrastructure and Transportation, with its many traffic safety partners, continues to undertake awareness, education and enforcement programs throughout the year. In addition, initiatives such as the Ignition Inter-Lock Program and periodic check stops deter drinking and driving. From its inception in December 1999 to March 2007, the Alberta Administrative Licence Suspension (AALS) program has resulted in 52,074 suspensions of Alberta drivers who were charged with having a breath or blood sample over 0.08 blood alcohol level or refusing a breath or blood sample demand.

The Graduated Driver Licensing program introduced on May 20, 2003, includes a zero alcohol tolerance provision which continues while a driver is in either the learner or probationary category.

Alberta's population has been steadily increasing as a result of the growing economy. Program enhancements and enforcement priorities may impact this measure.

Core Business 2: Plan, develop and manage government owned and leased infrastructure

Specific Ministry programs linked to this core business include Property Operations, Leases, Swan Hills Treatment Centre, Capital and Accommodation Projects, Government-Owned Facilities Maintenance, Land and Site Environmental Services, Energy Rebates, Provincial Highway Systems (excluding Vehicle Inspection Stations), the Strategic Economic Corridor Investment Initiative, Water Management Infrastructure, a portion of Program Support and Ministry Support Services, as well as non-cash items such as Amortization, Consumption of Inventory (Sand, Salt and Gravel) and Nominal Sum Disposals.

Financial Resources (in thousands)	Operating Expense	Capital Investment
Planned Spending (Estimates)	1,409,001	1,275,482
Total Authorized	1,434,598	1,416,942
Actual Spending in 2006-07	1,471,741	1,052,845
Actual Spending in 2005-06	1,584,596	894,459

The total under-expenditure of $159.9 million relative to planned spending is primarily due to under-expenditures in the Provincial Highway Systems and Strategic Economic Corridor Investment Initiative programs as a result of construction delays and major projects requiring staged delivery to 2007. Major projects include the North-South Trade Corridor, Edmonton and Calgary ring roads, and other strategic economic corridors such as Highway 63 and 881.

The overall net increase of $45.5 million in spending in 2006-07 compared to 2005-06 is primarily due to an increase in Provincial Highway Systems and the Strategic Economic Corridor Investment Initiative programs attributed to cost escalations and additional funding approved in 2006-07 for provincial highway construction projects.

This increase was offset by a decrease in energy rebate rates as a result of lower natural gas prices in 2006-07.

Goal 2 – Improve the safety, efficiency and effectiveness of provincial highway infrastructure

Strategic Approach

- Improve highway design, construction and preservation through innovative research on safety, engineering and Intelligent Transportation Systems.
- Develop a strategy to minimize deterioration of provincial highways, thereby reducing the amount of major maintenance required.
- Implement a state-of-the-art Transportation Infrastructure Management System.
- Employ innovative approaches to monitor, enforce and manage truck weight, dimension and safety limits on provincial highways.
- Commence rationalization of the provincial highway network in partnership with local municipalities to ensure local and provincial needs are met.
- Pursue opportunities to develop cost-shared joint-use vehicle inspection stations with adjacent jurisdictions to enhance efficiencies and ensure consistency among the provinces.
- Develop strategies to improve the road network in the Regional Municipality of Wood Buffalo.

There are approximately 31,000 kilometres of highways in Alberta, of which approximately 27,000 kilometres are paved.

Results

- Completed the southwest portion of the Edmonton ring road, connecting Highway 2 and Highway 16 around Edmonton. The $321 million cost for completing the 18 kilometre segment of Anthony Henday Drive includes five interchanges, three ravine crossings and twin bridges over the North Saskatchewan River. The southwest leg is the first completed ring road section in Alberta to open to traffic. The ring road features a concrete road surface, which requires less maintenance than traditional asphalt and can last up to 30 years before resurfacing is needed.
- Continued construction on the southeast leg of the Edmonton ring road, which commenced in 2005. The project is being delivered as a public-private partnership (P3) and is slated to be completed in the fall of 2007. Once completed, the ring road will be 11 kilometres in length and connect Highway 2 to Highways 14 and 16.
- Signed a 30-year contract with the Stoney Trail Group to design, build, operate and partially finance the Calgary northeast ring road from Stoney Trail to its junction with Deerfoot Trail to 17 Avenue SE. The 21 kilometre section will include 23 bridge structures and six interchanges. The project will be delivered as a P3 between the Alberta government and the Stoney Trail Group.
- Completed implementation of several applications within the Transportation Infrastructure Management System, including modules on the traffic signal system, collision integration, geotechnical and materials data, appurtenance inventory, network expansion, network evaluation and performance, geographic information system extension, and rationalization and optimization decision support.

Alberta's highway network has an estimated replacement value of approximately $49.9 billion.

- Completed a pilot project through the Transportation and Vehicle Information Systems (TRAVIS) to automate route analysis of overweight and oversize loads as one approach to managing truck weight, dimension and safety limits on provincial highways and municipal roads.
- Completed a highway classification system study. Results will be utilized in a review of three-digit highways (formerly called secondary highways) to ensure all roads are managed by the appropriate authorities.
- Opened a downtown bypass lane on Highway 63 and completed three intersection improvements at other locations within Fort McMurray along Highway 63 to reduce traffic congestion.
- Twinned eastbound lanes of Highway 11 between Red Deer and Sylvan Lake, which included a new bridge over Cygnet Lake and improvements to the intersections of Highways 11 and 20. The newly-twinned highway improves safety for motorists and accommodates traffic in this rapidly-growing part of Alberta.
- Widened 14 kilometres of highway from the Bow River south of Cochrane to north of the junction with Highway 567. The widening allows for full shoulders and offers the potential to add tapered turning and merge lanes to the intersection in the future.
- Purchased the majority of the right-of-way and initiated the twinning of Highway 21 near Sherwood Park to improve safety, traffic flow, and relieve growing congestion.

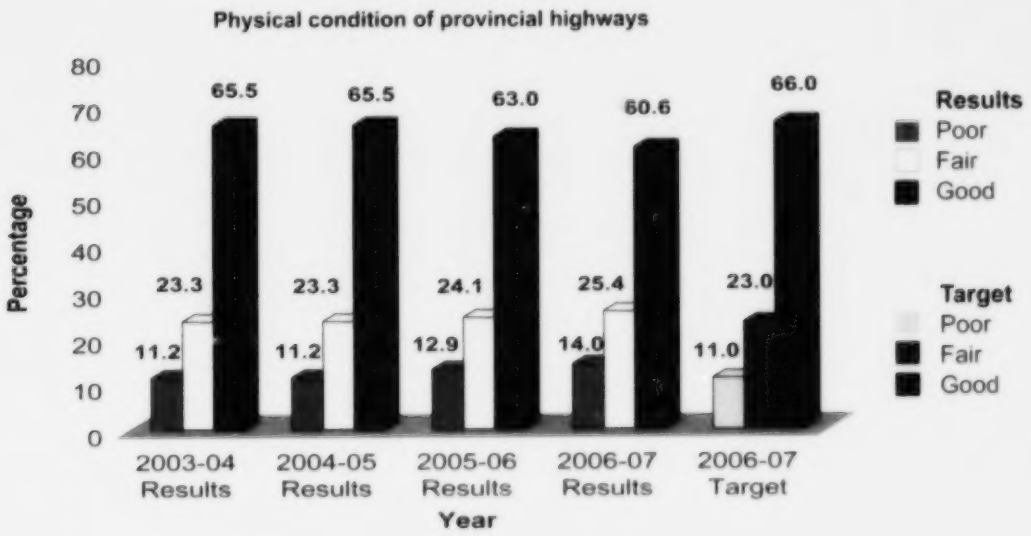
- Commenced twinning of eight kilometres of Highway 2 in the Sexsmith area from its junction with Highway 672 north to its junction with Highway 59. The project includes three new bridge culverts and will better accommodate growing traffic volumes in the area.
- Finalized a Memorandum of Understanding with British Columbia on construction of a vehicle inspection station for joint use by both provinces. The station will save capital and operating costs when completed.
- Continued rehabilitation of Alberta highways to improve safety and efficiency on provincial roads.

Performance Measures

Infrastructure and Transportation employed five measures to indicate how well it achieved Goal 2 in 2006-07.*

Provincial Highways

2.a Physical Condition of Provincial Highways



The condition measure defines the percentage of the paved highway network that is in *good*, *fair* and *poor* condition. The International Roughness Index is used to measure the roughness of roads and to categorize overall physical condition. The segments in *poor* and *fair* condition are those that require attention now or in the near future.

The measures used for condition are consistent with the core measures outlined in the Capital Planning Initiative. The condition measure was established to ensure the quality of the paved highway network is sustainable and that business, pleasure and commercial traffic can travel safely and comfortably. This is important in maintaining present levels of economic development and supporting future growth.

* See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.

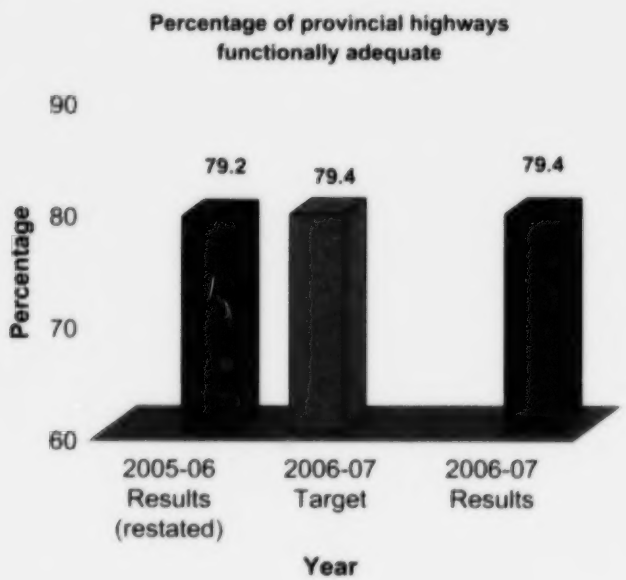
Physical condition ties to Core Business 2, "Plan, develop and manage government owned and leased infrastructure" and to Goal 2, "Improve the safety, efficiency and effectiveness of provincial highway infrastructure" from the Infrastructure and Transportation published 2006-09 Business Plan. It links to the Government of Alberta 2006-09 Strategic Business Plan Goal 14, "Alberta will have a supportive and sustainable infrastructure that promotes growth and enhances quality of life."

The results for 2006-07 indicate that the percentages of paved highway in *good*, *fair* and *poor* condition are 60.6 per cent, 25.4 per cent and 14.0 per cent respectively. This is below the stretch targets of 66.0 per cent, 23.0 per cent and 11.0 per cent. The percentage in *good* condition has decreased by 2.4 per cent (approximately 500 kilometres) from the 2005-06 values. This is due to the fact that the infrastructure is aging and that present base budgets are insufficient to adequately accommodate that aging.

Approximately 8,700 kilometres of Alberta's paved provincial highways are approaching an age where rehabilitation and reconstruction must be considered. This is an increase of 600 kilometres from 2005-06. Based on the size of the existing network, approximately 1,500 kilometres of highway should be resurfaced each year.

Provincial Highways

2.b Functional Adequacy of Provincial Highways



This measure indicates the percentage of provincial highways that meet target criteria for functional adequacy. A provincial highway is functionally adequate if the roadway meets acceptable width standards, has horizontal curves that allow normal travel speeds, has a paved surface where required, is free of road bans, and has had final paving completed as planned. The measure for functional adequacy is consistent with the core measure outlined in the Capital Planning Initiative. The functional adequacy measure was established to ensure that the existing highway network is upgraded where necessary to meet standards so that the public can travel safely. It also has components that consider truck traffic restrictions and the timely completion of staged pavements.

The Functional Adequacy of Provincial Highways measure is linked with Core Business 2 and Goal 2 from the Infrastructure and Transportation published 2006-09 Business Plan. This measure links to Goal 14 of the Government of Alberta 2006-09 Strategic Business Plan.

The 2006-07 functional adequacy calculation has been modified from the 2005-06 calculation. A component has been added to the analysis to account for the completion of staged pavements in a timely manner. As well, the surface type requirement now also includes highways requiring paving to ensure surface continuity on strategic roads.

The results for 2006-07 indicate that 79.4 per cent of provincial highways are functionally adequate, as represented below.

The functional deficiencies for 2006-07 compared to 2005-06 are broken down as follows:

2005-06 (using 2006-07 methodology)	Percentage	**2006-07**	Percentage
Road Bans	13.9	Road Bans	13.8
Width	4.3	Width	4.3
Geometrics	2.9	Geometrics	2.9
Surface Type	2.0	Surface Type	1.0
Final Paving	3.2	Final Paving	3.2
Total	**26.3**	**Total**	**25.2**
Duplicate Segments	-5.5	Duplicate Segments	-4.6
Functional Deficiency	**20.8**	**Functional Deficiency**	**20.6**

The total percentage of highways with deficiencies will be less than the sum of the above individual deficiencies. This is because certain segments have deficiencies in more than one area. For 2005 results, the difference between the sum of deficiencies and the total deficiency was 5.5 per cent. For 2006 results, this value is 4.6 per cent.

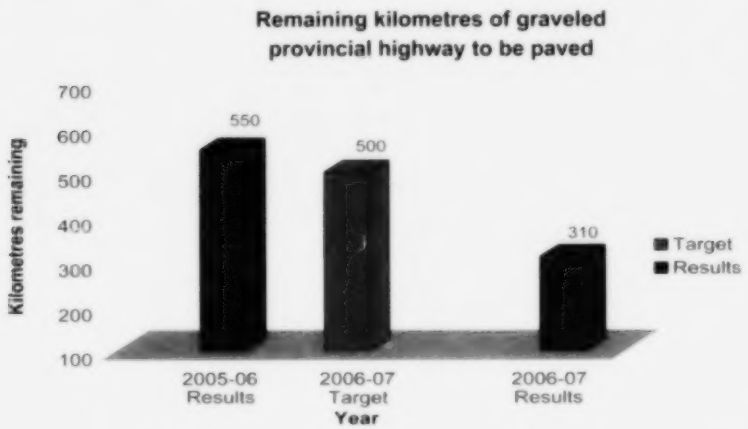
Road bans, width, geometric and final paving deficiencies are essentially unchanged from 2005-06.

Surface type deficiencies decreased from 2.0 per cent to 1.0 per cent, because of the 2006-07 highway paving projects.

The functional adequacy measure improved slightly because of the reduction in surface type deficiencies. This was offset by the fact that the duplication factor also decreased.

Rapid population growth throughout Alberta has meant more development occurring and urban areas expanding. Roads that carry increased traffic because they are located near, or provide access to, new developments may no longer be rated functionally adequate because the road is too narrow or not adequate for other reasons for the increased traffic levels. This leads to safety concerns.

2.c Provincial Highway Paving



This measure defines the remaining kilometres of gravel highways that require paving based on either a traffic volume of over 400 vehicles per day or to ensure surface continuity on strategic roads. A smaller number means a greater amount of paving occurred.

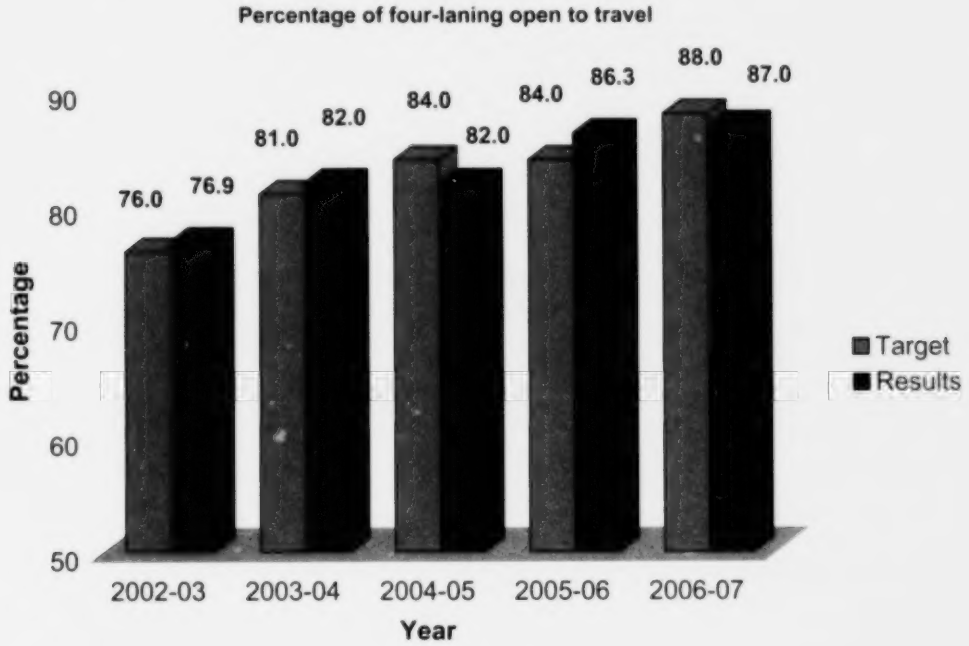
The paving of gravel roads on strategic corridors can promote economic development in rural areas of the province. As well, gravel roadways are only able to safely accommodate certain traffic volumes.

The Provincial Highway Paving measure is linked with Core Business 2 and Goal 2 from the Infrastructure and Transportation published 2006-09 Business Plan. This measure links to Goal 14 of the Government of Alberta 2006-09 Strategic Business Plan.

At the end of 2006-07, there were 310 kilometres of gravel highway requiring paving as identified in the 2006-09 business plan. The target of 500 kilometres remaining was met.

Paving gravel highways increases service levels to rural areas. However, provincial highway paving projects require continued prioritization against other projects such as highway reconstruction and rehabilitation.

2.d Construction Progress on the North-South Trade Corridor



This measure is the percentage (urban and rural) of the North-South Trade Corridor that is twinned and open to travel. The corridor extends from Coutts at the Alberta-United States border to the British Columbia border west of Grande Prairie, connecting Alberta to the Alaska Highway. It consists of approximately 1,170 kilometres of highway, of which nearly 100 kilometres are within various city limits.

The North-South Trade Corridor forms part of the CANAMEX Corridor (CANada/AMerica/MEXico) linking the three countries and stretches from Anchorage, Alaska to Mexico City, Mexico. The goals of the CANAMEX Corridor are to improve the north-south flow of goods and people; increase transport productivity and reduce transport costs; promote a seamless and efficient inter-modal transport system; and reduce administrative and enforcement costs through harmonized regulations. Alberta's North-South Trade Corridor is a key component of the CANAMEX Corridor and is vital to the efficient movement of goods across the Canada-United States border at Coutts.

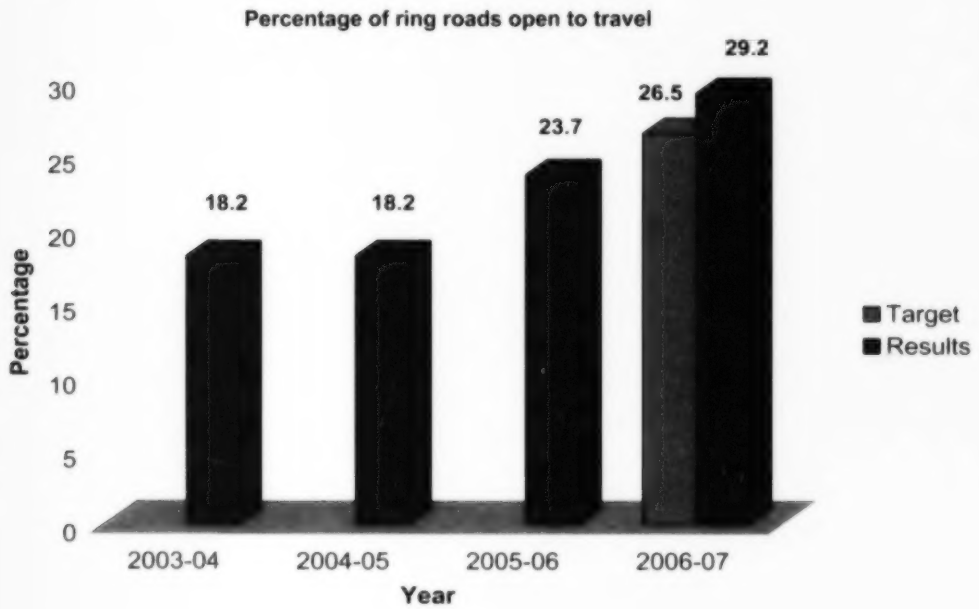
On a national scale, trade with the United States and Mexico continues to grow. To continue to enhance Alberta's economic competitiveness, the trucking industry must be able to respond to the demands of the growing economy. Continued economic viability depends largely on Alberta's ability to respond to demands generated by the opening of new markets, just-in-time manufacturing and retailing, and e-business. Continued twinning of the North-South Trade Corridor will enhance the traveling public's safety while reducing costs for the trucking industry through time savings. Measuring progress of the North-South Trade Corridor twinning demonstrates the continued development of major trade routes.

The Construction Progress on the North-South Trade Corridor measure supports Core Business 2 and Goal 2 from the Infrastructure and Transportation published 2006-09 Business Plan. This measure links to Goal 14 of the Government of Alberta 2006-09 Strategic Business Plan.

Infrastructure and Transportation has completed twinning 87.0 per cent of the North-South Trade Corridor, one per cent below its target of 88.0 per cent. The completion of the final piece of the Edmonton Southwest Ring Road added an additional 10 kilometres of multi-lane highway, yielding a total length of 1,017 km completed. Unforeseen construction difficulties resulted in the target not being met.

The completion of the North-South Trade Corridor remains a priority. However, projects along this corridor require continued prioritization against other strategic initiatives, such as the Calgary and Edmonton Ring Roads.

2.e Ring Roads in Edmonton and Calgary



This measure indicates the percentage of ring roads in Edmonton and Calgary open to multi-lane travel. The total corridor length consists of approximately 99 kilometres in Calgary and 80 kilometres in Edmonton.

The development of ring roads in the province's two major metropolitan areas is of paramount importance to economic development in the province and to ensure efficient and effective transportation systems in these two cities.

This measure supports Core Business 2 and Goal 2 from the Infrastructure and Transportation published 2006-09 Business Plan. It links to Goal 14 of the Government of Alberta 2006-09 Strategic Business Plan.

At the end of 2006-07, 29.2 per cent of the ring roads in Edmonton and Calgary were open to travel as multi-lane facilities. This is an increase of 5.5 per cent from 2005-06 and is due to the completion of the final piece of the Edmonton southwest ring road.

Sustained high oil prices and market conditions, such as labour shortages, could contribute to increased costs for material and labour. Increased economic and population growth in the Edmonton-Calgary Corridor have raised expectations for rapid construction of alternate routes to avoid traffic congestion and enable goods to quickly reach markets.

Alternative methods of financing, such as public-private partnerships, could enable construction of facilities like ring roads in major metropolitan centers to be expedited.

Goal 3 – Ensure safe and effective water management infrastructure on behalf of Environment

Strategic Approach

- Complete construction of projects and continue rehabilitation of the main canal of the Carseland/Bow River system to ensure a secure water supply to the area.
- Develop a multi-year rehabilitation program for Alberta Northern Erosion Control Program projects in conjunction with Environment.
- Develop a program to rehabilitate provincially supported water drainage infrastructure.
- Rehabilitate and maintain provincially-owned water management infrastructure through efficient planning and resource allocation.

Results

Infrastructure and Transportation, in conjunction with the Ministry of Environment, ensures safe and effective water management infrastructure and a secure water supply for municipal, domestic, agriculture, industry, recreation and other purposes through construction, rehabilitation, upgrading and maintenance of water management facilities. Projects were undertaken on dams, reservoirs and canals and include flood management and erosion control measures.

Alberta has over 100 major water management facilities including dams, diversion works, weirs and control structures.

These facilities secure water for 55 municipalities and approximately 1.3 million acres of irrigated land.

The province has over 500 kilometres of main irrigation canals.

- Reached the midpoint on the multi-year Carseland/Bow River Headworks project. This major water management project will restore the main canal of the Carseland/Bow River system to ensure a continuing water supply for the area. In addition, a complementary project was undertaken to construct a new bridge, and realign and rebuild five kilometres of Highway 531 east of McGregor Lake near Lomond. The new road connects to the new bridge to carry traffic over the lake, replacing a 50-year-old causeway and culvert crossing structure. The new bridge is open and the old structure has been removed to permit the flow of water from McGregor Lake to other components of the Carseland/Bow River Headworks system.
- Commenced the Alberta Northern Erosion Control Program in collaboration with Environment to rehabilitate facilities, including construction of dykes and bank armouring.
- Provided funding for identified repair projects as part of the action plan under the program for rehabilitation of provincially-supported water drainage infrastructure. Supported infrastructure includes dams, canals, spillways, dykes and reservoirs.

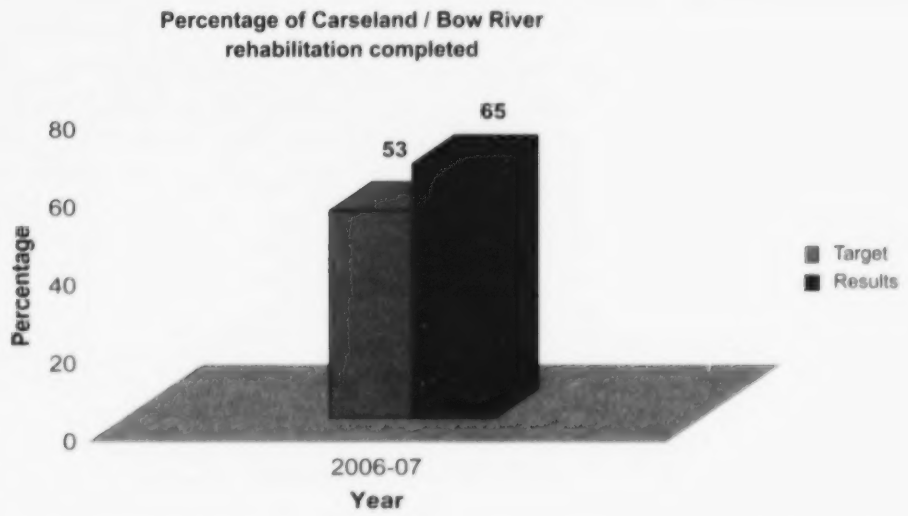
- Initiated the first phase of a three-year rehabilitation program for provincially-owned water management infrastructure to ensure effective water allocation.
- Designed a containment system at the Turner Valley Gas Plant to prevent hydrocarbons from entering the Sheep River and groundwater. To minimize further damage from flooding, a more robust riverbank protection system has been designed.

Performance Measures

Infrastructure and Transportation defined one measure to indicate how well Goal 3 was achieved in 2006-07. *

Water Management

3.a Progress on Completion of Major Water Management Construction Projects



This measure reflects the construction progress on major water management projects. Related activities include design, land acquisition and obtaining regulatory approvals, which precede the construction phase of each project and are not reflected in this measure.

By measuring the construction progress on major water management projects, Infrastructure and Transportation is able to demonstrate its ability to successfully complete these important water management projects which helps to ensure the province is able to meet its water management objectives.

This Progress on Completion of Major Water Management Construction Projects measure supports Core Business 2 and Goal 3 from the Infrastructure and Transportation published 2006-09 Business Plan. This measure links to Goal 14 of the Government of Alberta 2006-09 Strategic Business Plan.

* See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.

Sixty five per cent of the projects were completed exceeding the target of 53 per cent.

Infrastructure and Transportation works with Alberta Environment to provide quality water management facilities and a secure water supply for municipal, domestic, agriculture, industry, recreation and other purposes. Such projects include dams and reservoirs, and canals. Some of the works include construction of flood management and erosion control measures such as dykes and bank armouring. The original course of the canal planned for rehabilitation was 53 kilometres long. Over the course of the program, the course of the canal has been slightly altered as efficiencies have been gained to shorten its overall length to 49.2 kilometres, saving project costs.

The methodology for calculating the performance measure was revised during 2006-07 to reflect the changing construction environment as increasing construction costs were influencing the results. Instead of tracking dollars spent out of total dollars planned spending as in the old methodology, the measure is now calculated by tracking the number of kilometres of canal rehabilitated and the amount of reservoir structures sub-components rehabilitated or replaced out of the total scope of the original project implementation program.

The primary trends that could impact the outcome of this particular measure include regulatory changes at the federal level, lack of construction industry capacity, weather, and the ability of the contractors to meet the project schedule. Such trends are monitored very closely and adjustments made as needed.

Goal 4 – In partnership with all ministries, effectively plan and manage government owned and leased facilities to support the delivery of government programs

Strategic Approach

- Develop, maintain and implement accommodation plans to meet the priority program needs for government clients.
- Address physical building and site security needs in government buildings in collaboration with program departments.
- Assist other ministries and agencies in development and implementation of emergency and safety plans for government-owned and leased buildings across the province.
- Ensure accessibility needs for persons with disabilities are fully considered in Ministry building design standards, policies, programs and projects.
- Apply risk management and remediation initiatives to address environmental concerns at properties owned by government.
- Monitor energy efficiency and operating costs of government-owned and leased facilities and make cost-effective improvements.
- Incorporate best practices in indoor air quality standards and ensure appropriate processes are followed to address any incidents, such as mould, that may occur.
- Minimize the net cost to government through operating the Swan Hills Treatment Centre in a safe and efficient manner.

Results

- Celebrated the "topping off" of the new Calgary Courts Centre. The construction of the roof portion of this modern complex represents a major milestone for the project. A partnership with the private sector to design, build and operate the facility; the court centre will house 73 court rooms and has been designed to accommodate future expansion. Construction is scheduled for completion in summer 2007.
- Completed the Agrivalue Business Incubator Facility in Leduc in March 2007, which will provide space for business development programs supporting agriculture-based processing businesses.
- Completed the Schematic Design and Design Development Phases of the Royal Alberta Museum renewal. The first phase of this project, unveiled to the public on November 17, 2006, includes adding 23,000 square metres to accommodate new galleries, collections storage, offices, lab space and underground parking for 300 vehicles.
- Initiated, in collaboration with Solicitor General and Public Security, detailed planning for a new remand facility in north Edmonton. The new facility will eventually house up to 2,000 inmates and alleviate overcrowding at the current centre. Preliminary design is underway.
- Completed the Schematic Design of a new official residence for Alberta's Lieutenant-Governor. The new residence will be stately, secure, accessible, and built to an institutional standard intended for a 75-100 year lifespan. To ensure design excellence, the project was reviewed by selected architectural peers, and citizens and friends of the Lieutenant-Governor's office. The objective of the architectural peer review was to draw on the knowledge, credibility and expertise of the broader design community to critique and analyze the design of the new Lieutenant-Governor's residence. The external reviews were expected to offer fresh perspectives and test the strength and appropriateness of the design through a positive review process. The comments and suggestions were incorporated into the design to further refine and improve it.
- Provided funding, leasing, and project management support for upgrading and expansion of the Calgary Alpha House Society treatment centre and shelter for homeless persons. The initiative is a joint effort by the province, the Society and other stakeholders through the National Homeless Initiative program.
- Delivered information and training workshops to project managers across the province on the Leadership in Energy and Environmental Design (LEED) Silver standard. Integrating LEED into design and management processes of new government-funded buildings will conserve energy, save taxpayers money, and reduce the new buildings' impact on the environment.
- Implemented numerous new technical innovations for facility improvements and energy savings, such as the use of new lighting technology at correctional facilities; new "dark sky friendly" lighting for park facilities; new window frame assemblies to reduce condensation and conserve energy; and new sound field systems for school classrooms.
- Developed a new *Mould in Indoor Environments and Risk Assessment and Management Program* handbook and posted it on the Ministry website. The handbook includes: program overview; environmental health advisory; safe operating procedures – mould prevention; indoor air quality guidelines; and safe operating procedures – mould remediation.

- Opened the Lois Hole Memorial Garden in memory of former Lieutenant-Governor Lois Hole. Located on the south grounds of the Alberta Legislature, the garden is wheelchair-accessible and encompasses five seating areas, a bronze plaque, a small sculpture, stone walls, wrought-iron railings and gates, and cement paths, and includes a wide variety of plants, flowers, shrubs and trees.
- Continued to measure and monitor the utilization and functional adequacy of work space in government owned and leased facilities and implemented cost-effective facility improvements.
- Assisted the Persons with Developmental Disabilities Board with planning consolidation of services to reduce future operation and maintenance costs at the south site of Michener Centre in Red Deer. In collaboration with Michener Services and the City of Red Deer, arranged for public use of the Michener swimming pool, in addition to use by Michener Centre clients.
- Completed a number of security initiatives at government facilities, including Fort McMurray, Red Deer and Edson provincial buildings, Calgary's McDougall Centre and the Ukrainian Cultural Heritage Village. Enhanced security to these facilities includes card access systems, cameras, lighting and intrusion alarm systems. The initiatives also incorporated a security awareness program providing information to approximately 1,400 government employees.
- Developed for government use, with input and approval from Building Owners and Managers Association (BOMA), a best practices guide and template reflecting BOMA Go Green certification requirements. These documents provide uniform tools to assist in achieving cost-effective and environmentally responsible operations. The following government-owned facilities received BOMA Go Green certification: Frank Slide Interpretive Centre, Lougheed House, the Northern and Southern Jubilee Auditoriums, Red Deer Courthouse, and Provincial Buildings in Blairmore, Brooks and Pincher Creek.
- Completed Phase 1 of the Neil Crawford Provincial Centre Emergency Power Upgrade Project, with no interruptions to the ongoing operations of the data centre.
- Continued safe operation of the Swan Hills Treatment Centre to dispose of hazardous material, including the material collected from the Household Hazardous Waste Program.
- Completed a number of projects announced in 2004-05 to celebrate Alberta's Centennial, including:
  - Boreal Centre for Bird Conservation at the Lesser Slave Lake Bird Observatory;
  - Cypress Hills Provincial Park Interpretive Centre;
  - Writing-on-Stone Provincial Park Interpretive Centre and upgrades to the water treatment plant; and
  - Royal Tyrrell Museum Field Station, Phase 2, at Dinosaur Provincial Park.

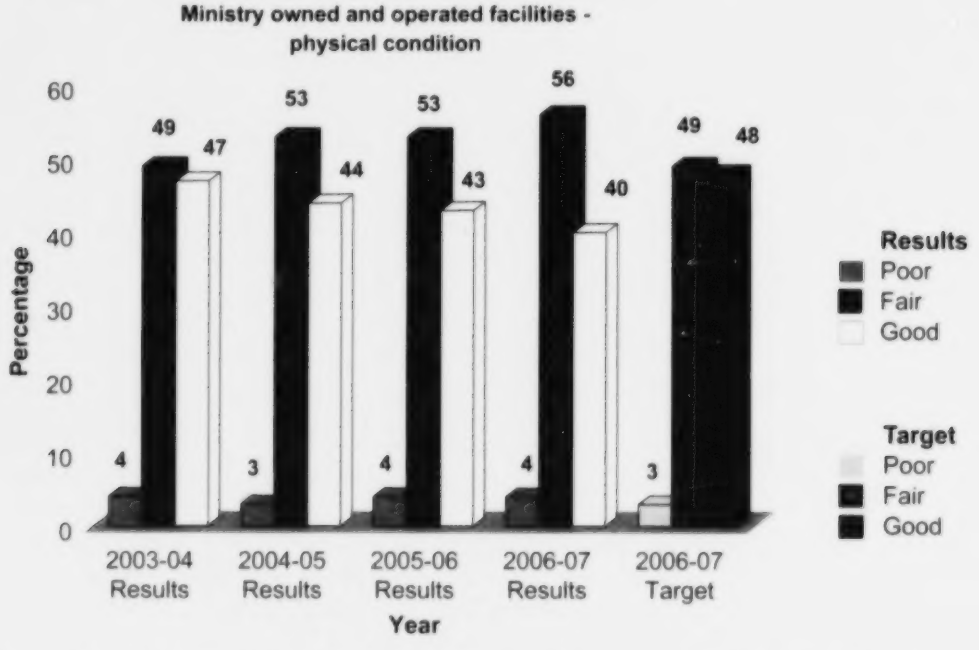
Performance Measures

Infrastructure and Transportation developed five measures to indicate how well Goal 4 was achieved in 2006-07.*

* See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.

Ministry Owned and Operated Facilities

4.a Physical Condition of Ministry Owned and Operated Facilities



This measure is the percentage of replacement value of government owned and operated facilities over 1,000 gross square metres that were rated in *good*, *fair* or *poor* physical condition.

To enhance reporting and enable the Ministry to compare condition ratings across the facility types, a facility condition index (FCI) was adopted as a basis for determining the condition rating of each facility. The FCI is the ratio of the cost to correct current and future (five year) physical condition deficiencies, relative to current facility replacement values.

In concert with the Government of Alberta's Capital Planning Initiative, three measures ("*good*," "*fair*" and "*poor*") were developed to aid in making sound capital funding decisions.

The interpretation of FCI values for building infrastructure is as follows:

Condition	FCI Definition	CPI Definition
Good	Facilities with an FCI of less than 15%	Adequate for intended use and expected to provide continued service life with average maintenance.
Fair	Facilities with an FCI that is equal to or greater than 15%, or equal to or less than 40%	Aging components are nearing the end of their life cycle and require additional expenditures for renewal or refurbishing.
Poor	Facilities with an FCI of greater than 40%	Upgrading is required to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

The measure rates the condition of buildings and is therefore a measure of how well building infrastructure is being maintained. The percentages are calculated by taking the square metres of all facilities in *good*, *fair*, or *poor* condition and dividing each by the total replacement value of all buildings.

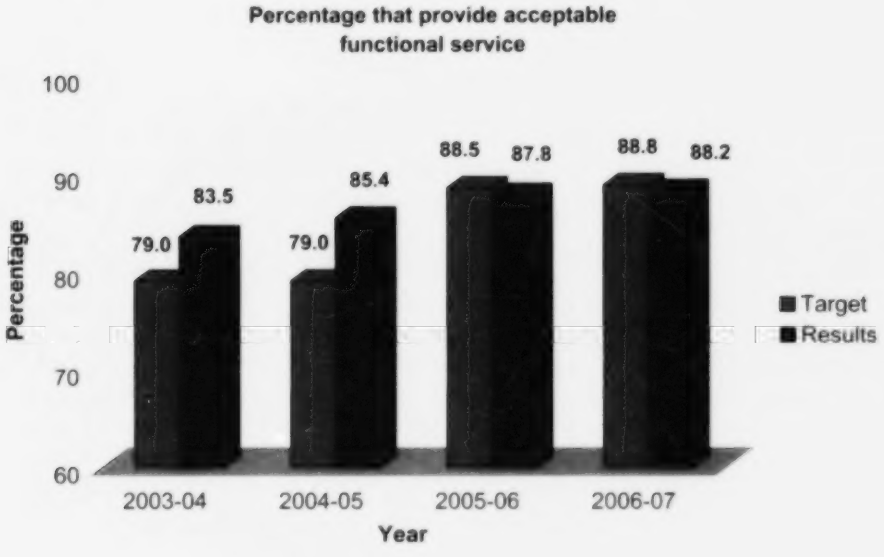
The condition of each building was based on an assessment of a building's five major systems (structural, envelope, interior, mechanical and electrical). The evaluator selected a condition rating (from 1 to 6) for each system by matching the overall condition with a set of definitions. A weighted average of the five system ratings produced the overall building rating. Ratings one, two and three were rated as *poor*, four was rated as *fair*, and five and six were rated as *good*.

This measure is linked to Core Business 2 "Plan, develop and manage government owned and leased infrastructure" and Goal 4 "In partnership with all ministries, effectively plan and manage government owned and leased facilities to support the delivery of government programs" from the Infrastructure and Transportation published 2006-09 Business Plan. The Physical Condition of Ministry Owned and Operated Facilities measure links to Goal 14 of the Government of Alberta 2006-09 Strategic Business Plan.

The percentage of government owned and operated facilities over 1,000 gross square metres that were rated in *good* physical condition in 2006-07 was 40 per cent, below the target of 48 per cent. The percentage of buildings rated as *fair* and *poor* condition were 56 per cent and four per cent respectively, compared to the targets of 49 per cent and three per cent. Although the results have been steady over the past few years, many government owned and operated facilities were built between 1975 and 1985 and are approaching a time when major upgrading or refurbishment will be required to maintain them. Renovation to the Southern and Northern Jubilee Auditoriums and Lougheed House were completed in 2005 and resulting re-evaluations have moved condition rating of these facilities, totalling over 40,000 square metres, to a rating of *good* physical condition. The new Leduc Agrivalue Business Incubator facility was completed adding over 12,500 square metres of space for business development programs supporting agriculture-based processing businesses.

With over 80 per cent of the buildings being more than 20 years old, it will continue to be a challenge to balance the need to maintain existing aging infrastructure while addressing the requirements for new infrastructure to best serve Albertans.

4.b Functional Adequacy of Ministry Owned and Operated Facilities



The purpose of this measure is to determine and report on how well government facilities are meeting the program delivery needs of the users. Only Ministry owned and operated facilities larger than 1,000 gross square metres are included in determining the overall percentage of facilities that are providing "acceptable" functional service.

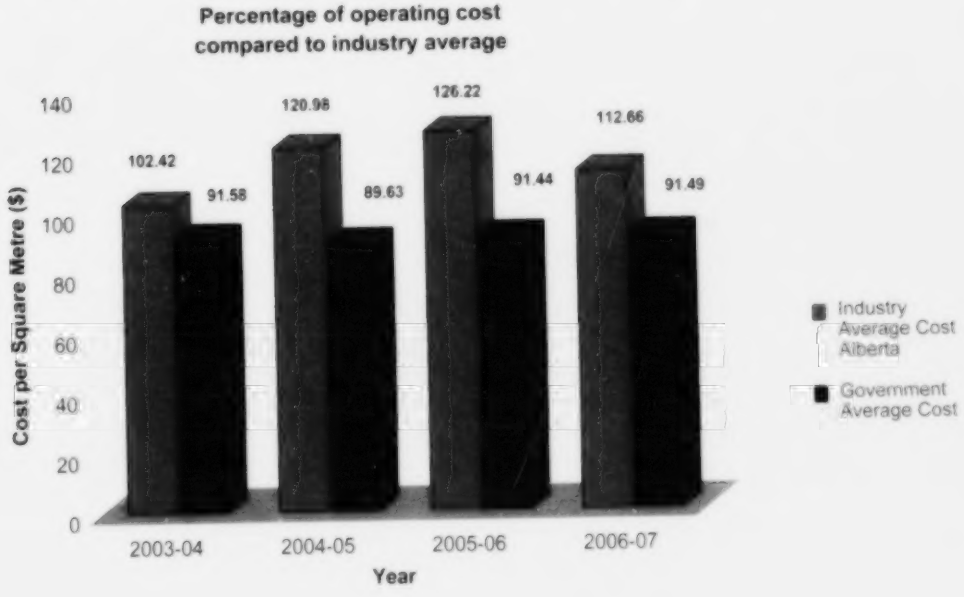
Functional adequacy assists provincial government to plan and provide appropriate space for program delivery in government facilities in response to the changing needs of Albertans.

This measure links to Core Business 2 and Goal 4 of the Infrastructure and Transportation published 2006-09 Business Plan. The Functional Adequacy of Ministry Owned and Operated Facilities measure links to Goal 14 of the Government of Alberta 2006-09 Strategic Business Plan.

The actual results for 2006-07 indicate 88.2 per cent of government buildings achieved acceptable functionality. This result is lower than the target of 88.8 per cent as it was expected that five facilities in Claresholm would be sold and two buildings in Calgary transferred. These facilities did not sell nor were transferred in the 2006-07 fiscal year, affecting the result.

Alberta's growing economy has increased the need for enhanced program delivery. This impacts the functionality of existing space as continued growth will result in the use of space that is not designed for a specific type of function, for example, staff utilizing meeting rooms as office space. Decisions related to acquiring additional space through leasing or construction will be affected by significant increases in lease costs, especially in larger centres, and higher construction costs throughout the province.

4.c Average Operating Cost per Square Metre of Ministry Owned and Operated Office Space



This measure compares the average annual operating cost of rentable square metres of office space in Ministry-owned facilities operated by Infrastructure and Transportation with the Alberta industry average. The Ministry's target is to keep the average operating cost per rentable square metre of office space below that of the industry average.

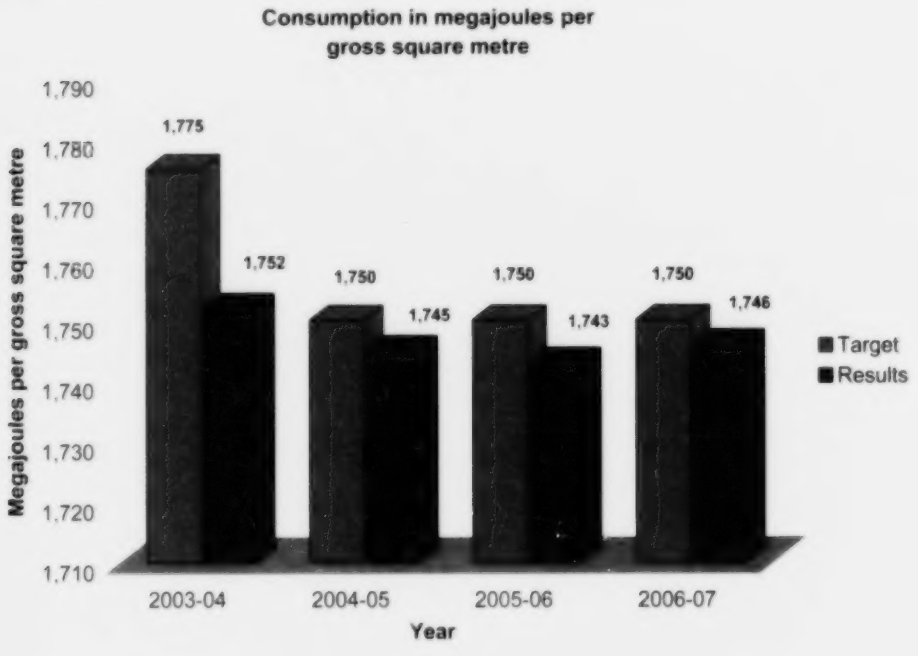
The Ministry is responsible for effective management of all owned facilities to support the delivery of provincial government programs. This includes incorporating industry best practices to control the costs and maintain the value of provincial building infrastructure. Cost comparisons against industry averages, in total and for specific maintenance functions, allow the Ministry to identify and respond to areas of concern and identify opportunities for cost-effective improvements.

This measure ties to Core Business 2 and Goal 4 of the Infrastructure and Transportation published 2006-09 Business Plan. Average Operating Cost per Square Metre of Ministry Owned and Operated Office Space measure links to Goal 14 of the Government of Alberta 2006-09 Strategic Business Plan.

The average cost of operation of Ministry owned and operated buildings in 2006-07 was $91.49 (based on a sample of 72 government-owned office buildings). This compares to an average of $112.66 for Alberta participants included in the Building Owners and Managers Association (BOMA) International survey.

Inflationary pressures in the industry affect this measure, such as utility and contract cost increases and other costs required to maintain aging infrastructure.

4.d Energy Consumption in Ministry Owned and Operated Facilities



Infrastructure and Transportation monitors the annual energy efficiency (natural gas and electricity) of Ministry-owned buildings operated by Infrastructure and Transportation.

The Ministry is responsible for effectively managing all owned facilities to support the delivery of government programs. This includes monitoring energy usage on an ongoing basis and identifying and implementing energy saving initiatives to achieve the cost and environmental benefits associated with reduced energy consumption.

This measure ties to Core Business 2 and Goal 4 from the Infrastructure and Transportation published 2006-09 Business Plan. The Energy Consumption per Square Metre in Ministry Owned and Operated Facilities measure links to Goal 14 of the Government of Alberta 2006-09 Strategic Business Plan.

In 2006-07, the result of 1,746 megajoules per square metre was below the target of 1,750 megajoules per square metre.

This measure is affected by several factors that may vary annually including changes to the inventory of owned buildings, changes to building usage and occupancy levels, and climate variations. As potential energy saving measures are identified and implemented, there will be fewer opportunities to improve energy performance through conservation measures alone.

Core Business 3: Partner with municipalities, boards and other government departments and agencies to plan, develop and implement infrastructure that meets local and government needs

The specific Ministry programs linked to this core business includes Seniors' Lodges, Municipal Support Programs, and a portion of Program Support and Ministry Support Services.

Financial Resources (in thousands)	Operating Expense	Capital Investment
Planned Spending (Estimates)	1,075,189	1,119
Total Authorized	1,223,055	1,966
Actual Spending in 2006-07	1,167,318	222
Actual Spending in 2005-06	1,143,467	351

The $91.2 million over-expenditure relative to planned spending is primarily due to additional funding from the federal government for public transit, as part of the Federal Funding for Cities and Communities Program and additional funding approved for Water for Life projects in 2006-07.

The overall net increase of $23.7 million in spending in 2006-07 compared to 2005-06 is primarily due to an increase related to additional funding from the federal government for public transit, as part of the Federal Funding for Cities and Communities Program.

This increase was offset by a decrease in the Alberta Municipal Infrastructure and Alberta Cities Transportation Partnerships programs in 2006-07 due to accelerating payments under these programs to municipalities in 2005-06.

Goal 5 – Support municipal infrastructure needs

Strategic Approach

- Assist municipalities with water supply, water treatment, and wastewater treatment and disposal facilities through the provision of funding under the Water for Life program and an enhanced Regional Water and Wastewater Partnership Initiative, consistent with the cross-ministry Water for Life Strategy.
- Continue to provide grant funding to assist Alberta municipalities with developing and upgrading infrastructure through the Basic Capital Grant, Cities Special Transportation Grant, the Streets Improvement Program and the Rural Transportation Partnership.
- Provide the cities of Edmonton and Calgary with annual transportation funding based on five cents per litre of fuel delivered within their boundaries.
- Administer the Resource Road Program to assist rural municipalities, towns and villages that experience resource and new industry-based traffic.
- Continue to provide grant funding under the Federal Funding for Cities and Communities program, administer the Infrastructure Canada-Alberta Program and the Municipal Rural Infrastructure Fund.
- Administer the $3 billion Municipal Infrastructure Program to upgrade municipal water, wastewater, transportation and other infrastructure facilities.

Results

- Provided funding of $75.3 million in 2006-07 for development of regional municipal water and wastewater systems. The Regional Water and Wastewater Partnership initiative funds 90 per cent of the capital cost of building regional municipal water and wastewater pipelines. The initiative is part of the overall Water for Life Strategy and includes 100 per cent funding for engineering feasibility studies for regional systems, plant expansions for "hub" suppliers required to serve new regional customers, and for expanding pipeline capacity to serve future regional customers.
- Continued annual transportation funding in the Cities of Edmonton and Calgary based on five cents per litre of fuel delivered within their boundaries.
- Provided the Basic Capital Grants and Cities Special Transportation Grants to cities and urban service areas excluding Calgary and Edmonton for transportation capital projects.
- Continued funding under the Streets Improvement Program for towns, villages, summer villages and eligible hamlets. Under the Rural Transportation Partnership, funding went to counties, municipal districts, Métis Settlements and Special Areas.
- Provided federal funding to all Alberta municipalities under the Federal Funding for Cities and Communities Program. In addition, supplemental public transit capital funding was provided to eligible municipalities to assist them in meeting their sustainable public transit infrastructure needs.
- Administered the five-year $3 billion Alberta Municipal Infrastructure Program to all Alberta municipalities to assist in construction, upgrading or rehabilitation of priority municipal infrastructure. Funding was provided for capital projects such as municipal water and wastewater systems, roads, bridges, storm drainage, public transportation and other eligible infrastructure facilities.
- Announced funding for numerous projects under the Canada-Alberta Municipal Rural Infrastructure Fund (CAMRIF) multi-year agreement, which provides cost-sharing contributions from three levels of government for eligible municipal infrastructure projects.
- Funding began in 2006 and projects under the program are to be completed by 2010. Eligible projects include water and sewage treatment, solid waste management, public transit, energy improvements to municipal buildings, roads, bridges, cultural, recreational and tourism projects.
    - Targeted funding toward "green infrastructure" projects in Calgary, Edmonton and area, and Lacombe. Projects include a combined heat and power district energy system to provide space heating and cooling through underground piping in Calgary, enabling construction of three new transit bus terminals in Edmonton, as well as the creation of a wetlands area to protect the North Saskatchewan River by reducing storm water runoff and improving water quality.
    - Provided for the County of Strathcona, replacement of high-floor buses with low-floor buses to increase transit accessibility for seniors and persons with physical disabilities. In Lacombe County, funded projects include renovation and expansion of the Lacombe Memorial Centre, upgrading of Aspelund Road and construction of a new outdoor multi-use facility.

- Enabled funding for construction of a bridge crossing in Yellowhead County over the Pembina River west of Lodgepole to efficiently transport goods, increase driver safety and accommodate increased traffic.
- Contributed in Woodlands County toward a new aquatic centre to replace an aging facility and an upgrade of the Old Blue Ridge Highway to improve driver safety and reduce maintenance costs.
- Contributed to significant water projects including replacement of water mains under Highway 16 ensuring a reliable water supply to the Town of Edson, and integration of the storm-water management system with outdoor recreation facilities in the City of Lethbridge to reduce the risk of flooding.
- Funded other projects, such as in Starland County, connecting more households to municipal water and wastewater systems to reduce the amount of solid waste going to land fills.

Performance Measures

Infrastructure and Transportation utilized one measure to indicate how well Goal 5 was achieved in 2006-07*.

Municipal Client Satisfaction

5.a Client Satisfaction Survey (Municipal Clients) - Percentage of municipal clients satisfied with overall quality of service

Infrastructure and Transportation conducts a municipal client satisfaction survey every two years to measure the satisfaction of clients with services provided by the Ministry. The latest survey was conducted for the 2005 calendar year. It indicated a satisfaction rate of 97 per cent, which exceeded the target in the Ministry 2005-08 Business Plan of 92 per cent. The next survey will be conducted in 2008.

* See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.

Goal 6 – Collaborate with other ministries in the development and preservation of schools, post-secondary institutions and health facilities through the provision of technical expertise and project management services

Strategic Approach

- Partner with program ministries and stakeholder boards to implement approved projects identified in the 2006-09 Capital Plan. Major projects to support research and development and increase medical instructional capacity include the Health Research Innovation Centres at the Universities of Calgary and Alberta, and the Health Sciences Ambulatory Learning Centre in Edmonton.
- Work with program ministries, school boards, post-secondary institutions and health regions in updating long-term capital plans by providing expertise in areas such as life cycle costing, new technologies, design standards and detailed project costing.
- Offer a wide range of technical expertise and project management services to clients to ensure the most appropriate facility solution is implemented to support program delivery needs.
- Work with Education to continue to assess facility solutions required to implement the recommendations flowing from Alberta's Commission on Learning, particularly class sizes and new classroom technologies.
- Provide support to Seniors and Community Supports and Health and Wellness in responding to the facility-related recommendations from the Task Force on Continuing Care Health Services and Accommodation Standards. In consultation with stakeholders, update existing building standards for long-term care facilities, seniors' lodges and publicly funded supported living facilities.
- Implement health infrastructure and innovation strategies to support health system improvements.
- With program ministries, redefine roles and responsibilities to implement the new framework of sharing common responsibility for implementing capital projects.
- Undertake facility evaluations to monitor and report on condition of schools, post-secondary institutions and health facilities to support the planning process and identify the preservation needs to ensure taxpayer investment is protected.
- Finalize space classification data with post-secondary institutions and Advanced Education and Technology for use in the planning process.
- Update and maintain guidelines for costs and space for supported facilities to reflect the impact of construction cost escalation.

Results

- Worked with program ministries and boards on the implementation of numerous major capital projects such as the Health Research Innovation Centres at the Universities of Calgary and Alberta, and the Edmonton Clinic. Through the provision of expert advice on design, standards and costing, taxpayer investment in major capital projects was protected and value for money achieved.
- Ensured the effective implementation of projects approved within the Capital Plan by providing project oversight including the provision of technical and costing advice on supported projects active during the 2006-07 fiscal year, including 146 schools, 61 health projects and 26 post-secondary projects.

- Provided direct project management expertise for 12 supported projects including Small Boy Cree Camp School, new replacement École des Beaux-Lacs School in Bonnyville, Northern Alberta Institute of Technology, Westerra Campus in Stony Plain, replacement Glen Avon School in St. Paul, and numerous other facilities.
- Collaborated with program ministries in the review of short and long-term capital plans from all school boards, health regions, and post-secondary institutions to ensure the most appropriate facility solution is proposed, standards are met and costs are appropriately defined.
- Promoted the Ministry's new Silver standard for LEED (Leadership in Energy Efficient Design), resulting in many boards implementing LEED compliant facilities, including:
  - Grant MacEwan Robbins Health Learning Centre;
  - Red Deer College, Centre for Trades and Technology will be LEED Gold;
  - Mazankowski Heart Institute in Edmonton; and
  - numerous schools such as Calmar Elementary, Vulcan Prairieview Elementary School, Banff Community High School and Holy Trinity Academy, as well as many others across the province.
- Organized LEED workshops for over 200 project managers across the province to discuss management of LEED projects and integrated design processes.
- Issued a Request for Proposals for the development of a standard core school design. The new core school design will consist of permanent core building components containing a gymnasium, library, special teaching spaces, administration, washrooms, and other core needs. Modular classrooms will be used to ensure flexibility for school size as community needs change.
- Implemented value management process for major projects to better control costs and scope. Used the Hythe K-9 School modernization as a pilot, which resulted in cost reduction of over $5 million. Value management is a structured and disciplined approach that ensures the correct balance of performance, cost and delivery is in place to meet stakeholder requirements and deliver optimum value by providing the necessary function at the lowest life cycle cost.
- Continued to work with Education to implement Alberta's Commission on Learning (ACOL) recommendations within the timeframe and priorities determined by Education.
- Defined the needs of a typical facility required by the Parent Link program in conjunction with Education and Children's Services to establish Parent Link Centres in selected school facilities across Alberta.
- Implemented a new framework for overall management of capital programs for schools, post-secondary institutions and health facilities. Memoranda of Understanding between Infrastructure and Transportation, Education, Advanced Education and Technology, and Health and Wellness ensure that capital projects are planned and implemented to meet the overall priority needs of health and education systems. Under this framework, the program ministries are responsible for the planning of facility needs within their program areas, and Infrastructure and Transportation is responsible for the delivery of approved capital projects. Throughout the planning and implementation stages, Infrastructure and Transportation provides ongoing technical and costing advice to program ministries and client boards.

- Revised building standards to provide support for building improvements in long-term care facilities, seniors' lodges and other publicly funded supportive living facilities.
- Worked with Seniors and Community Supports and Health and Wellness to provide peer review and analysis of proposals from private and public sector proponents applying for financial grants towards construction of additional supportive living units.
- Collaborated with health regions to analyze and implement the use of evidence-based decision making in the design of health facilities. This design technique is based on research of existing facility designs and incorporating improved operational designs, such as patient and staff work flow patterns, lighting efficiencies and accommodating new health technologies.
- Revised cost and space guidelines for supported facilities to reflect impact of construction cost escalation resulting from current economic conditions. This will be an ongoing process to enable the most current data to be used in strategic and operational planning and funding decisions.
- Updated Space and Cost Guidelines for Health Care Facilities to reflect current conditions. These guidelines are used to develop initial cost estimates for new health facilities or additions to existing facilities.
- Completed draft templates for budgeting for health facilities. These templates include the five basic elements in calculating total provincial support (land/off-site services, construction, furniture and equipment, project administration costs and consultant fees).
- Continued to monitor the condition of schools, post-secondary institutions and government-owned facilities through a program of periodic building evaluations. During 2006-07, facility evaluations were carried out on 322 schools, 58 post-secondary institutions and 48 government-owned facilities. The information gathered in the evaluations provides input into planning processes for preservation and future development of facilities.
- Updated post-secondary inventory data in the Building and Land Infrastructure Management System in consultation with post-secondary institutions. This is an ongoing process that will ensure the most current data is available for funding and performance measure reporting.

Performance Measures

Infrastructure and Transportation developed four measures to indicate how well it achieved Goal 6 in 2006-07. *

To enhance reporting and enable the Ministry to compare condition ratings across the facility types (government owned facilities as well as supported, such as schools, health facilities, and post-secondary institutions), a facility condition index (FCI) was adopted as a basis for determining the condition rating of each facility. The FCI is the ratio of the cost to correct current and future (five year) physical condition deficiencies, relative to current facility replacement values.

* See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.

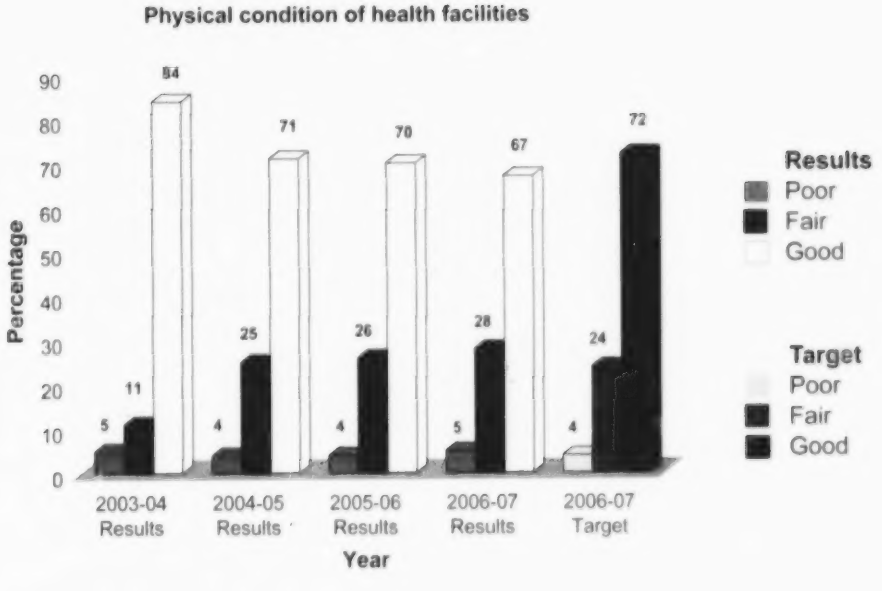
In concert with the Government of Alberta's Capital Planning Initiative, three measures ("*good*," "*fair*" and "*poor*") were developed to aid in making sound capital funding decisions.

The interpretation of FCI values for building infrastructure is as follows:

Condition	FCI Definition	CPI Definition
Good	Facilities with an FCI of less than 15%	Adequate for intended use and expected to provide continued service life with average maintenance.
Fair	Facilities with an FCI that is equal to or greater than 15%, or equal to or less than 40%	Aging components are nearing the end of their life cycle and require additional expenditures for renewal or refurbishing.
Poor	Facilities with an FCI of greater than 40%	Upgrading is required to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

Government Supported Facilities

6.a Health Facilities – Physical Condition



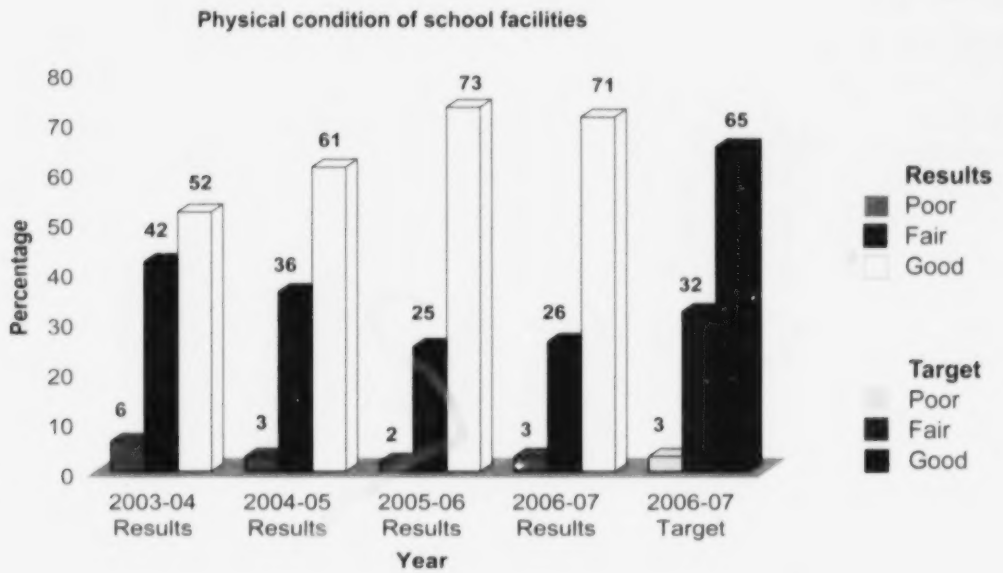
The health facilities physical condition measure is the percentage of health facilities rated in *good*, *fair* or *poor* condition, using the Facility Condition Index (FCI) described on preceding page.

The long-term goal of government is to preserve health facilities and other infrastructure. The condition measure provides data in support of long-term capital planning of health facilities across the province. This measure links to Core Business 3 "Partner with municipalities and boards to plan, develop and implement infrastructure that meets local needs" and Goal 6 "Collaborate with other ministries in the development and preservation of schools, post-secondary institutions and health facilities through the provision of technical expertise and project management services" from Infrastructure and Transportation's published 2006-09 Business Plan. The Physical Condition of Health Facilities measure links to Goal 14 of the Government of Alberta 2006-09 Strategic Business Plan.

In 2006-07, 67 per cent of health facilities were reported in *good* physical condition; however, this result does not meet the target of 72 per cent. Health facilities continue to have high ratings in physical condition. The percentage in *fair* condition increased from 26 per cent in 2005-06 to 28 per cent in 2006-07, due to a number of facilities previously rated *good* slipping into the *fair* category, as a result of the continued aging of the facilities.

Due to aging infrastructure as well as construction cost increases, it will continue to be a challenge to balance the need to maintain existing aging infrastructure while addressing the requirements for new infrastructure to best serve Albertans.

6.b Schools - Physical Condition



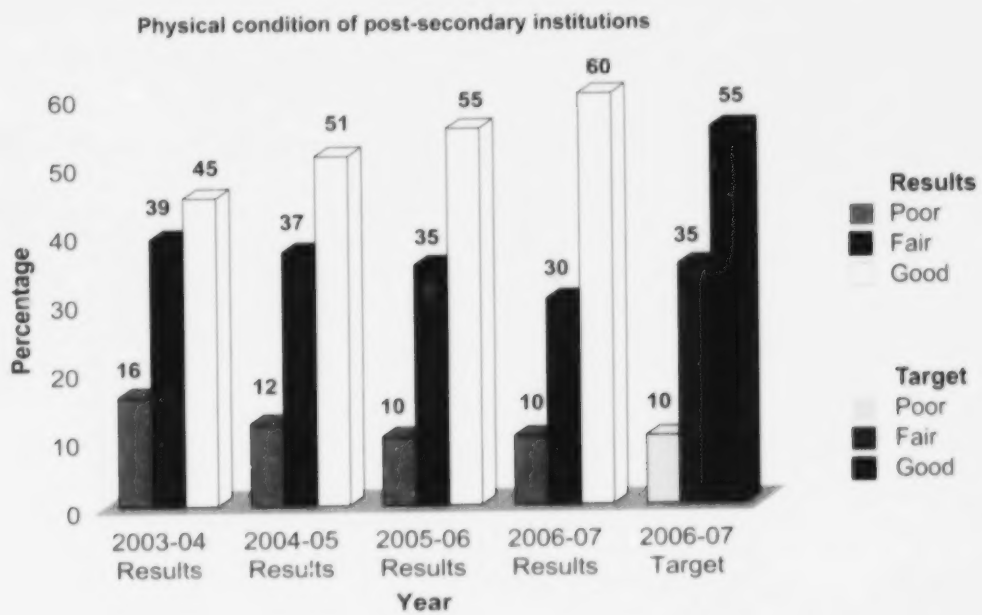
The measure is a percentage of school facilities that are rated as being in *good*, *fair* or *poor* physical condition as defined by the Facility Condition Index (FCI) described above.

A strategic goal for the Ministry is to develop and implement policies and programs that provide safe, effective learning environments for Alberta's children. In monitoring and evaluating the condition of schools, the Ministry is able to identify the success of these programs. This condition measure supports Core Business 3 and Goal 6 "Collaborate with other ministries in the development and preservation of schools, post-secondary institutions and health facilities through the provision of technical expertise and project management services" from Infrastructure and Transportation's published 2006-09 Business Plan, and assists school boards and the government in their long-term capital planning. The Physical Condition of Schools measure links to Goal 14 of the Government of Alberta 2006-09 Strategic Business Plan.

In 2006-07, 71 per cent of schools were rated in *good* physical condition. Although this result exceeded the target of 65 per cent, it is slightly lower than the 2005-06 result of 73 per cent. The proportion of schools rated as *fair* increased slightly, moving up one per cent from the 2005-06 result to 26 per cent for 2006-07. Continued investment in revitalizing or replacing older facilities will cause the overall condition of school facilities to improve.

Due to aging infrastructure, as well as construction cost increases, it will continue to be a challenge to balance the need to maintain existing aging infrastructure while addressing the requirements for new infrastructure to best serve Albertans.

6.c Post-Secondary Institutions - Physical Condition



The measure is a percentage of the total facilities at post-secondary institutions rated in *good*, *fair* or *poor* condition using the Facility Condition Index (FCI) described above.

The measure directly links to Core Business 3 and Goal 6 from Infrastructure and Transportation's published 2006-09 Business Plan. The Physical Condition of Post-Secondary Institutions measure links to Goal 14 of the Government of Alberta 2006-09 Strategic Business Plan. This performance measure provides an annual look at how effectively critical post-secondary infrastructure is maintained.

In 2006-07, 60 per cent of post-secondary institutions were rated in *good* condition, exceeding the planned target and previous 2004-05 results of 55 per cent. The percentage of post-secondary institutions facilities rated in *fair* condition decreased, from 35 per cent in 2005-06 to 30 per cent for 2006-07, as some facilities previously rated *fair* in 2005-06 were rated *good* for 2006-07. A portion of the improvement can be attributed to a change in institutions reclassifying recommended remedial events from maintenance items to functional upgrades, which are not included in the measure. Also, all supported post-secondary institutions were provided a software system that now enables them to update data and identify facility deficiencies or new events that will require attention. This has resulted in more accurate and timely data for the facility condition measure.

As the post-secondary system expands, a number of new buildings have been brought on stream, resulting in a positive change in the overall condition measure. A number of older buildings have also been demolished, reducing the amount of deferred maintenance requirements in the system, also having a positive effect on the condition measure.

Due to aging infrastructure, as well as construction cost increases, it will continue to be a challenge to balance the need to maintain existing aging infrastructure while addressing the requirements for new infrastructure to best serve Albertans.

Boards Client Satisfaction

6.d Client Satisfaction Survey (Boards) - Level of satisfaction indicated by Boards

This measure assesses the level of satisfaction with the quality of service provided by Infrastructure and Transportation related to health facilities, post-secondary institutions and schools as perceived by their respective boards. The board client satisfaction survey is conducted every two years and is based on calendar year. The latest survey was conducted for the 2005 calendar year, indicating a satisfaction rate of 4.6 which is "somewhat satisfied" on a six point scale. This was below the target of 4.9 in the 2005-08 Ministry Business Plan. The next survey will be conducted following the 2007 calendar year.

Goal 7 – Provide cross-ministry leadership and support to priority government programs and initiatives

Strategic Approach

- Support the development of provincial short and long-term capital plans through the provision of technical expertise and cost analysis.
- Collaborate with stakeholders to explore opportunities for multi-use facilities and continue to pursue alternative financing opportunities, such as public-private partnerships, where cost-effective and feasible.
- Acquire or lease property as appropriate to client needs.
- Sell or divest surplus and under-utilized properties and take a lead role in providing services for the disposal of properties for all government ministries.
- Plan, develop and administer the Edmonton and Calgary Transportation and Utility Corridors.
- Enhance environmental protection in the province by supporting the creation of a single-regulator system for developments affecting land, water or air.
- Contribute to the water strategy and climate change initiatives.
- Support the Government of Alberta's top priority of Building Aboriginal Self-Sufficiency by providing opportunities for Aboriginal people to participate in Ministry projects undertaken on their lands; aid in development of traffic safety strategies appropriate to their needs; and provide accommodation needs to support delivery of programs.
- Support government priorities for Albertans through delivery of key initiatives such as the Natural Gas Rebate Program.

Results

As a result of the restructuring of government ministries in December 2006, the new Ministry of Treasury Board took over responsibility for development of government's Capital Plan and the capital planning process. Prior to this transfer, Infrastructure and Transportation was responsible for capital planning activities and undertook a number of initiatives to enhance the capital planning process, as follows:

- Provided "Capital Planning 101" information sessions to elected officials and Caucus, as well as to over 200 Ministry staff and various industry groups to share information on the benefits of effective planning and details on how the government's Capital Plan is developed.
- Developed a comprehensive Capital Plan submission following extensive consultation with all ministries and the Associate Minister Responsible for Capital Planning on the identification and prioritization of capital needs. Also developed three, five, and 10-year Capital Plan information and provided this to Treasury Board.
- Led a cross-ministry committee to enhance government's ability to better predict cost escalation and the impact on capital projects. With partner ministries of Employment, Immigration and Industry, Energy, and Treasury Board, the committee reviews, on a quarterly basis, the following six key cost drivers that influence escalation: labour markets, interest rates, construction volumes, commodity prices, energy prices and housing prices.

- Initiated consultation sessions and industry liaison to enhance communication with industry, including such partners as Consulting Engineers of Alberta, Alberta Construction Association, and Alberta Architects Association, as well as the Cities of Edmonton and Calgary. Increased liaison will enhance the planning of capital projects to align with industry capacity and other capital work across the province.
- Developed process improvements to assist with mitigation of cost escalation, by initiatives such as the following:
  - early or advanced project tendering; and
  - improved contract structures, including bundling of projects, and alternative delivery, such as construction management or public-private partnerships (P3).
- Updated the P3 Management Framework document which was reviewed and accepted by the Deputy Ministers Capital Planning Committee. The new document has been posted on the Ministry's website for use by industry and client boards when contemplating public-private partnerships.
- Organized a workshop with B.C. Partnerships group to discuss new alternative financing initiatives in British Columbia.
- Promoted joint-use and multi-purpose facilities to reduce construction and operating costs and enhance program delivery. Joint-use facilities completed or underway include:
  - Cold Lake Energy Centre, a combined school, college, arena and community recreational facility;
  - Westerra High School, renovation of an existing facility allows for use as a high school and Parkland School Division's bus transportation hub;
  - Olds Community Learning Campus incorporates new space for Olds High School into the Olds College, Community Learning Campus, and includes new e-learning, fine arts, and health and wellness facilities. The campus also includes space for Child and Family Services.
- Continued to include Aboriginal content clauses in all transportation and water management contracts for projects undertaken on Native Reserves and Métis Settlement lands in support of government's priority initiative of Building Aboriginal Self-sufficiency.
- Developed master accommodation plans to meet Government of Alberta requirements in Calgary, Edmonton and Fort McMurray. This was driven by the demand for government services in these high growth areas.
- Administered the Natural Gas Rebate Program to more than one million eligible homes and businesses, providing approximately $377.9 million in rebates. The program assisted with the cost of heating when rates exceeded a set threshold, regardless of whether the consumer paid the regulated rate or were part of a competitive contract. The program also included eligible agricultural consumers.
- Continued to provide real estate services to Alberta government ministries. In 2006-07, the Ministry provided services involving $97 million in land acquisitions and $112 million in property leases. Sale or disposal of surplus properties totalled $59 million.
- Contributed to water strategies through funding for development of municipal and regional water and wastewater systems as part of the Water for Life strategy.

- Participated in a pilot project to take Alberta Energy and Utilities Board emergency calls after hours at the Infrastructure and Transportation Coordination Information Centre.
- Assisted with the design and implementation of the Alberta Environmental Support and Response Team in collaboration with Emergency Management Alberta and Environment to create and deploy an effective environmental response model.
- Collaborated with the City of Red Deer and Municipal Affairs and Housing to lease vacant residences in Michener Centre as shelter for poor and transient workers who are homeless due to the chronic shortage of accommodations in Red Deer.
- Arranged with the Town of Hinton and Sustainable Resource Development to expand use of the Hinton Training Centre to include community groups holding major events when the Centre is available.
- Transferred legal title of 21 health facilities to respective Regional Health Authorities. Infrastructure and Transportation in conjunction with Treasury Board worked with stakeholders to align ownership of health facilities, such as hospitals, with those accountable for facility operation and condition.
- Negotiated land agreements with the City of Edmonton and University of Alberta to facilitate routing the Edmonton South Light Rail Transit (LRT) Expansion through government property. When completed, the South LRT Expansion will provide increased public access to communities in south Edmonton, including the University of Alberta South Campus.

Performance Measures

Infrastructure and Transportation created one measure to indicate how well it achieved Goal 7 in 2006-07. *

Real Estate Client Satisfaction

7.a Client Satisfaction Survey (Real Estate) - Real estate quality of service rating

The Ministry works with client departments and some boards and agencies to lease required space, acquire properties, divest surplus lands or underutilized properties and provide real estate and land planning services. Baseline results of 4.8, which corresponds to "somewhat satisfied" on a six-point scale were established in 2005. The next survey will seek client's level of satisfaction with real estate quality of services in 2007 and be conducted in 2008. The real estate client satisfaction survey is conducted every two years and is based on calendar year.

* See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.

Core Business 4: Represent Alberta's interests in transportation policy

The specific Ministry programs linked to this core business include a portion of Ministry Support Services.

Financial Resources (in thousands)	Operating Expense	Capital Investment
Planned Spending (Estimates)	3,097	-
Total Authorized	3,097	-
Actual Spending in 2006-07	3,221	-
Actual Spending in 2005-06	2,808	-

Core Business 4 deals with providing long-term planning of the highway network, and developing provincial policies pertaining to highways, municipal transportation, motor carriers, and rail and air modes of transportation from the perspective of passengers, shippers and carriers. Influencing national and international policy on national highways, rail, air, intercity bus, ports/marine operations, border crossing services, and coordinating various barrier-free transportation and climate change initiatives are also part of this core business.

There are no significant variances from planned spending for this core business.

Goal 8 – Work with stakeholders and other jurisdictions to develop and promote policies in support of efficient transportation

Strategic Approach

- Work with stakeholders and municipalities to ensure appropriate transportation infrastructure investment to maintain efficient and integrated networks and supply chains.
- Develop access routes and inter-modal trade corridors to better connect Alberta shippers to the United States and other world markets.
- Continue negotiations with the Tsuu T'ina Nation to extend the Southwest Calgary ring road.
- Work with partners and stakeholders in developing strategies to improve access for persons with disabilities and seniors, including transportation facilities and systems and barrier-free access in all planned infrastructure construction projects.
- Work with the federal government to deliver the Strategic Highway Infrastructure Program and Canada Strategic Infrastructure Fund to support the development of trade highways in Alberta.
- Develop a Strategic Transportation Vision providing a long-term (up to 30-year) view of transportation in Alberta and Western Canada, taking into account projected urban and rural growth patterns, safety, resource development and intelligent transportation systems research and planning.
- Develop transportation infrastructure in support of northern economic development.

- Collaborate with the aviation industry and federal government to provide input to the National Aviation Strategy.
- Work with stakeholders and other jurisdictions in negotiating and developing effective and harmonized motor carrier regulations across Canada.
- Pursue a regional safety weight threshold for the inclusion of commercial vehicles in the National Safety Code.
- Continue efforts to harmonize vehicle weight and dimensions with western provinces, territories and Alaska.
- Participate in developing a comprehensive multi-modal national transportation strategy to improve international competitiveness.

Results

- Secured a contribution of $150 million from the Canada Strategic Infrastructure Fund toward twinning a section of Highway 63 from Grassland to Marianna Lake. Improvements to Highway 63 will result in a safer and more efficient road system.
- Continued negotiations for the right-of-way through the Tsuu T'ina Nation for the southwest Calgary ring road. The province remains committed to continue these negotiations to their conclusion.
- Modified the parking placard policy in coordination with Service Alberta to reflect feedback from stakeholders and users. The policy was updated to include self-declaration, where an individual with a permanent disability (not expected to improve in the next five years) can renew his or her placard by self-declaring that his or her condition has not changed. These individuals will not require a medical assessment to renew their placards. Another enhancement was made to allow for-profit organizations, which provide transportation services to persons with disabilities, to be eligible for placards.
- Began a market demand assessment study for high-speed rail in the Edmonton and Calgary corridor.
- Continued the process of developing harmonized motor carrier regulations across Canada through further work in the areas of:
  - cargo securement;
  - development of trip inspection standards; and
  - introduction of national hours of service regulations.
- Presented to the Canadian Council of Motor Transport Administrators a regional National Safety Code threshold, which matches the current provincial threshold.
- Worked with partners to achieve consensus on harmonized weights and dimensions in the western region for long combination vehicles, tridem drive trucks, and weight on super single tires.

Performance Measures

Infrastructure and Transportation intends to utilize two measures to indicate how well it achieved Goal 8 in 2006-07*.

Barrier-free

8.a Barrier-free – under development

This performance measure as outlined in 2006-09 Business Plan continues to be evaluated and baseline data is under development.

Stakeholder Client Satisfaction

8.b Stakeholder Satisfaction Survey – under development

This performance measure as indicated in 2006-09 Business Plan was evaluated and will not be implemented in the 2007-10 Business Plan.

* See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.

Corporate Strategies

Strategic Approach

The Ministry is committed to a positive and healthy work environment, and strengthening business practices through continuous improvement and excellence in service delivery. Successful delivery of the Ministry's core businesses depends on building and maintaining a strong and flexible organization and infrastructure with the knowledge and capacity to respond to changing business needs. The Ministry's Corporate Strategies support achievement of all Ministry goals, and include:

- Conduct business reviews and develop workforce planning strategies to fully integrate Ministry functions, achieving organizational synergies within a regionalized environment, and meet current and future needs through a competent and committed workforce.
- Collaborate with clients, partners and stakeholders to clarify roles and accountabilities.
- Integrate Ministry information technology systems to ensure systems support critical business needs, and continue to assess where new technologies can be utilized to enhance programs and service delivery.
- Continue to develop and improve the Building and Land Infrastructure Management System to enhance planning and management of Ministry owned and supported facilities.
- Develop a Risk Management Framework to identify and manage risk in all business areas.
- Develop a long-term Strategic Plan to guide Ministry activities for the next 10 years and beyond.
- Expand the Environmental Management System for the Ministry to identify and manage environmental impacts associated with the Ministry's products, services and activities.

Results

- Realigned Ministry functions in several of the Divisions to better provide program services and reflect adjustments in responsibilities. Partnership roles were redefined with associated program ministries, including the Ministry's capital planning role and involvement with supported infrastructure. The Ministry continues to provide a wide range of professional and technical expertise to other ministries and stakeholders.
- Initiated discussions with Ministry staff to obtain internal feedback and engage staff in the process of business planning and addressing challenges facing the Ministry. One of the challenges was workforce planning and strategies were developed to strengthen consideration of workforce continuity factors in internal planning processes.

- Implemented a new information technology governance model reflecting new technology advancements and signed a five-year contract for information technology management services. The contract includes major software applications developed and used by the Ministry to support business areas, such as the Transportation Information Management System for managing provincial highway infrastructure. The Ministry continues to manage, monitor and measure service levels of all service contracts.
- Enhanced information technology systems to streamline billing for leases. Improvements realized were reduced manpower requirements, increased accuracy, and shorter service delivery times for billing invoices.
- Commenced development of the projects module of the Building and Land Information Management System (BLIMS) and extended access to the evaluation module to include other ministries and external stakeholders, such as post-secondary institutions, to sustain working partnerships and facilitate sharing information. BLIMS is an integrated management system that supports the planning and management of government owned and supported facilities.
- Achieved process improvements in several business areas through solutions that enhanced communication and co-ordination between internal business areas, as well as to other Government of Alberta ministries. Some notable electronic business application improvements were:
  - development of a repository for all contracts and leases associated with each Ministry owned or leased site;
  - advances to planning major maintenance projects and the ability to track status of maintenance activities for a facility; and
  - sharing information between Government of Alberta ministries, which allows staff to have up-to-date and integrated information needed for making more informed business decisions.
- Embarked on research on risk management in conjunction with other ministries and adopted a model for implementation. The Ministry is developing an approach for implementation of the government approved Australian/New Zealand model.
- Completed a streamlined manual that consolidates Infrastructure and Transportation environmental practices into one document. Environmental committees have also been formed to coordinate environmental management processes and practices, and to address environmental issues as they arise. The Ministry is committed to expanding the Environmental Management System across business areas.

Performance Measure Data Sources and Methodologies

Core Business 1

Goal 1 – Improve driver, vehicle, carrier, road and rail safety

1.a Percentage of vehicle occupants wearing seat belts – Alberta

Transport Canada collects seat belt usage data through annual surveys on light duty vehicles, including passenger cars, passenger vans and light trucks in all provinces. Light duty vehicles do not include commercial vans or large trucks, farm equipment, or vehicles which are not equipped with and do not require seat belts (e.g. vintage automobiles).

Rural Canada was defined as towns with a population of fewer than 10,000 but more than 1,000 that are located outside any census metropolitan area or census agglomeration[1]. The survey targeted all occupants of light-duty vehicles, which include passenger cars, light trucks, minivans and sport utility vehicles (SUVs). The survey which occurred over the week of September 15 to 21, 2006, involved 249 sites. Each observation period was two hours long and took place during daylight hours (between 7:30 a.m. and 6:30 p.m.). A total of 41,137 vehicles and 60,616 occupants were observed during the course of the survey.

Using the same methodology for the Alberta urban survey in 2006, Infrastructure and Transportation hired a third party consultant to collect the data and the consultant provided observation data directly to Transport Canada. The overall Alberta rate was calculated from the combined Transport Canada rural data for Alberta and urban data provided by the Ministry. Transport Canada performed analysis and provided the combined Alberta seat belt rate which was weighted using 2001 census information for urban and rural populations.

1.b Percentage of inspected vehicles requiring on-site adjustments

Infrastructure and Transportation conducts this survey starting in the middle of June every year and continues for six months. Commercial Vehicle Safety Alliance (CVSA) Level I inspections are the focus of the survey. After setting up at a location, the transport officers will pull over and conduct a Level I CVSA inspection on the first available commercial vehicle, including farm vehicles but excluding buses and Partners In Compliance carriers. Once the inspection is complete and the unit released, the next available commercial vehicle will be taken and a Level I CVSA inspection is completed. This activity is continued until seven commercial vehicles have been Level I inspected. A total of seven Level I inspections are required for each site. There are 64 pre-determined sites that are utilized throughout the province.

The inspections are undertaken using internationally recognized standards issued by the Commercial Vehicle Safety Alliance. In the sample, seven random inspections were conducted at each of 64 sites across Alberta between June and December 2006. The total number of vehicles inspected was 448.

[1] To be exact, the definition used in this survey also includes those communities that have a population over 10,000 but are not classified as census agglomerations in the Statistics Canada 2001 census.

1.c Percentage of drivers involved in fatal collisions who had consumed alcohol

Data for this measure was taken from the Ministry's Alberta Collision Information System. The results for the measure are based on a calendar year. Drivers involved in collisions resulting in at least one fatality are included in the results. Driver condition data is compiled from collision reports completed by the attending law enforcement officer. Drinking drivers are those who, in the officer's judgment, have consumed alcohol prior to the collision. Driver condition includes 'normal,' 'had been drinking,' 'alcohol impaired,' 'impaired by drugs' and 'fatigued/asleep'. Driver condition was unspecified for 107 drivers involved in fatal collisions in 2006 and this is not included in the results.

1.d Percentage of drivers involved in injury collisions who had consumed alcohol

Data for this measure was taken from the Ministry's Alberta Collision Information System. The results for the measure are based on a calendar year. Drivers involved in casualty collisions resulting in either injury or fatality are included in the results. Driver condition data is compiled from collision reports completed by the attending law enforcement officer. Drinking drivers are those who, in the officer's judgment, have consumed alcohol prior to the collision. Driver condition includes 'normal,' 'had been drinking,' 'alcohol impaired,' 'impaired by drugs' and 'fatigued/asleep'. Driver condition was unspecified for 6,593 drivers involved in casualty collisions in 2006 and this is not included in the results.

Core Business 2

Goal 2 – Improve the safety, efficiency and effectiveness of provincial highway infrastructure

2.a Physical condition of provincial highways

The International Roughness Index (IRI) measures the roughness of roads and is used as an indicator of the overall physical condition of provincial highways.

The identification of roads as *good, fair, poor* relies on standards established as a result of a comprehensive research study conducted on the Ministry's behalf by the University of Calgary in 2002 of condition and other performance measures. The study's recommendations resulted in establishing condition trigger values. Trigger values are defined as the boundary between categories of *good-fair* and *fair-poor*, and are set using a proactive life cycle analysis approach. The values are categorized by road classification and are based on one-kilometre segments.

Alberta Infrastructure and Transportation Standards

IRI Rating	110 km/h Highways	Less than 110 km/h Highways
Good	Less than 1.5 m/km	Less than 1.5 m/km
Fair	1.5 – 1.89 m/km	1.5 – 2.09 m/km
Poor	Greater than or equal to 1.9 m/km	Greater than or equal 2.1 m/km

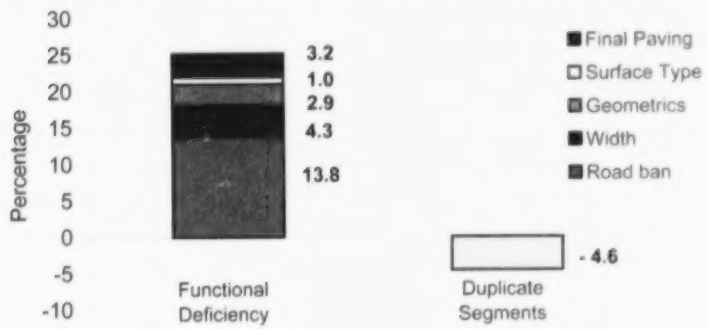
After existing *good, fair, poor* segments are identified, anticipated work activities and pavement deterioration rates are incorporated to determine future performance targets.

The IRI rating for all highways is obtained through data collected annually by consultants on behalf of the Ministry. Using laser-based equipment, the consultant reports the average IRI value over a 50-metre segment of the highway. This detailed data is further averaged over one-kilometre sections to provide an assessment of condition over practical lengths.

2.b Percentage of provincial highways functionally adequate

Functional adequacy is calculated by preparing an inventory of the various segments of highway that have deficiencies for any of the above factors, based on Infrastructure and Transportation's standards and practices. If a section of highway has a deficiency due to any of the factors, it is considered functionally inadequate. The percentage of the highway network that meets target criteria for functional adequacy is the total length of roadway minus the total length of roadway with a deficiency, divided by the total length of roadway, multiplied by 100. The methodology and data sources for each of the component factors are discussed below.

Provincial Highways Functional Deficiency by Type



Final Paving Deficiencies

The final paving deficiencies are determined based on if final paving has been completed as planned. The required timing of final paving is determined by the traffic volume on the highway. A deficiency analysis was conducted for every kilometre of the paved provincial highway network.

Surface Type Deficiencies

A traffic volume of 400 vehicles per day and the provincial highway paving list on strategic roads are used to determine the need for a paved surface, and subsequently to identify deficiencies where the criterion is not met. Consultants collected traffic volume data and existing surface types are derived from the Ministry's internal Pavement Management System. This deficiency analysis was done for every kilometre of gravelled provincial highway.

Geometric Deficiencies

Geometric deficiencies are based on horizontal curve geometrics, using alignment data collected by consultants. This data is compared to requirements in the *Alberta Infrastructure and Transportation's Highway Geometric Design Guide* to arrive at deficiencies. A deficiency analysis was conducted for every kilometre of paved provincial highway.

Width Deficiencies

Data on existing road widths is obtained from the Ministry's Pavement Management System. The acceptable road width for each highway is determined using the 3R/4R chapter (resurfacing, rehabilitation, restoration, and reconstruction) of the *Alberta Infrastructure and Transportation's Highway Geometric Design Guide*. Actual width and acceptable width are then compared to determine whether a deficiency exists. A deficiency analysis was conducted for every kilometre of paved provincial highway.

Road Bans

Road ban information for provincial highways is obtained using internal data sources. The Ministry monitors the need for road bans on the provincial highway system. As road bans are issued they are entered into an internal database, which is updated as the status of road bans changes for particular highways. The analysis is done for every kilometre of provincial highway.

2.c Remaining kilometres of graveled provincial highway to be paved

The measure is based on construction project data. The remaining kilometres are calculated by taking the total list of gravel highways requiring paving (determined for the 2006-09 Business Plan), and subtracting from that list those highways that were paved during 2006-07.

2.d Percentage of four-laning open to travel

The measure is based on construction project and highway network data. The percentage is calculated by totalling the number of kilometres twinned and open to travel versus the total kilometres of the corridor.

2.e Percentage of ring roads open to travel

The measure is based on construction project data. The percentage is calculated by totalling the number of kilometres multi-laned and opened to travel versus the total kilometres along the corridor (179 kilometres).

Goal 3 – Ensure safe and effective water management infrastructure on behalf of Environment

3.a Percentage of Carseland/Bow River rehabilitation completed

This measure is monitored throughout the year by tracking construction contracts issued. The final results for the measure are based on the actual construction completed during the fiscal year, as reported by the engineering consultants and verified by Infrastructure and Transportation staff.

Total project scope is divided into two categories, main canal rehabilitation which comprises about 60 per cent of the total project, and other structures such as dams, diversion headworks and crossings which make up the other 40 per cent of the project. These weightings were assigned based on the scope of work as determined in the 2001 Implementation Plan for the overall project.

As work is completed along lengths of canal, the distance out of the total canal length to be rehabilitated is verified using as built drawings and percentage completed calculated out of the total length of planned rehabilitation.

Goal 4 – In partnership with all ministries, effectively plan and manage government owned and leased facilities to support the delivery of government programs

4.a Physical Condition of Ministry Owned and Operated Facilities

The data was collected through condition assessments by Ministry staff and consultants over a five-year cycle, with one-fifth of the owned buildings evaluated each year. Facilities owned by the provincial government but leased or operated by others were excluded from this measure. The data collected is stored in an electronic database using a program called Real Estate Capital Asset Priority Planning (RECAPP). RECAPP is produced and maintained by a private sector vendor. The software and its associated methodology are used by other jurisdictions in education, public works and property management settings.

4.b Functional Adequacy of Ministry Owned and Operated Facilities - Percentage that provide acceptable functional service

The total square metres of each facility is assessed according to its adequacy. The square metres of all facilities rated as acceptable is then divided by the square metres of the entire eligible inventory to calculate the overall percentage reported in this measure.

An acceptable or unacceptable rating for each facility is based on assessments by Infrastructure and Transportation planning staff. The assessment is done in consultation with other ministries across provincial government, who are either the residents or primary users of a particular building. The assessment considers general criteria, including but not limited to site location and access; building and site circulation and services; program location and layout; indoor environment; building services; and the building's overall capacity to accommodate and support program delivery. Discretion is used by staff from Infrastructure and Transportation and other ministries in determining the final rating, based on their knowledge of the facility and whether or not it can meet current and planned program delivery needs. If a facility meets these needs, it is rated as providing "acceptable" functional service to residents and its clients.

Infrastructure and Transportation provided the data for the measure from an internal database of all Ministry owned and operated facilities larger than 1,000 gross square metres.

4.c Average Operating Cost per Square Metre of Ministry Owned and Operated Office Space

The measure is based on the methodology used in a survey conducted by Building Owners and Managers Association (BOMA) International of facilities management practices in 21 office buildings in Alberta. The survey determines the average cost of building operations using established criteria. Areas excluded from the rentable space calculation include interior parking, elevator/mechanical shafts and external walls. Expenses included in the calculation are administration, caretaking, grounds, security/safety, routine building maintenance, utilities, insurance and grants in place of taxes.

This methodology is used to determine the average operating cost per square metre for 72 Ministry-owned office buildings using data from various systems[2]. The result is compared to the Alberta industry average for the buildings included in the BOMA survey.

4.d Energy Consumption in Ministry Owned and Operated Facilities - Consumption in megajoules per gross square metre

The measure indicates how effectively the Ministry is managing energy and associated costs in government-owned buildings using a simple formula: the total annual energy consumption for all buildings divided by the buildings' total gross square metres.

Energy consumption data for over 1,000 gas and electricity sites is provided by various retailers during the year and entered into the Energy Consumption Reporting System. The data is validated, converted from gigajoules and kilowatt-hours into megajoules, and totalled for all buildings. The gas total is adjusted using monthly actual and normal degree data from Environment Canada to compensate for weather variations. To calculate the measure, the total weather-adjusted consumption is divided by the total square metres based on building areas reported by the Building and Land Information Management System.

Core Business 3

Goal 5 – Support municipal infrastructure needs

5.a Client Satisfaction Survey (Municipal Clients) - Percentage of municipal clients satisfied with overall quality of service

The client satisfaction survey is conducted every two years and is based on calendar year. The last survey was conducted for the 2005 calendar year and the next survey will be conducted following the 2007 calendar year.

[2] Sources include: Alberta Government Integrated Management Information System, Facilities and Business Information System, Building and Land Information Management System, Grants in Place of Taxes.

Goal 6 – Collaborate with other ministries in the development and preservation of schools, post-secondary institutions and health facilities through the provision of technical expertise and project management services

6.a Health Facilities – Physical Condition

Information on physical condition deficiencies was obtained through facility evaluations conducted by professional consultants or qualified staff of the Health Regions. Facility ratings were reviewed by Infrastructure and Transportation, in consultation with the Health Regions, to assess whether facility assessment information was complete. In cases where facility evaluation data was incomplete, Infrastructure and Transportation estimated the total physical condition costs.

Current replacement values were determined using factors such as construction type, maintenance responsibility type, location, and gross building area. Health facility replacement values are generated and confirmed in a process that involves Ministry cost managers, program areas, and health region representatives based on ongoing working knowledge obtained through on-site participation.

6.b Schools - Physical Condition

Since 2004, the Ministry has been conducting follow-up evaluations on original assessments. The current approach compared to the original approach is:

- Staged implementation. Rather than evaluating all schools at once in a short timeframe, the objective for this round of assessments is to implement an ongoing process, whereby a school will be assessed once every five years. This approach equates to approximately 300 facilities being audited each year. The advantage of this approach is that facility assessments are now an ongoing component of the Ministry's business. The disadvantage is that there will be some schools that will not be assessed for a significant length of time.
- Facility Condition Index (FCI). Rather than focusing on reporting a raw score, the FCI is calculated in order to comply with the approach used for other facility assessments. Although the end result for an FCI might differ from the previous approach, it still identifies a *good*, *fair*, and *poor* rating.

Ratings have been updated to include the estimated effect of modernizations conducted since the initial condition assessments. The extent to which schools have deteriorated since the initial assessments has not been determined. Replacement costs for facilities evaluated in the original assessment have been adjusted for inflation. The findings from schools that have been re-evaluated have been included in these results.

In the initial 1999-00 condition assessments, a non-weighted point scoring system was used for the number and type of deficiencies. Those facilities with a point rating between 0 and 399 were considered in *good* condition; those with 400 to 799 points were considered in *fair* condition; and those with 800 or more points were considered in *poor* condition.

6.c Post-Secondary Institutions - Physical Condition

The total cost of deficiencies was calculated by taking the estimated cost of remedial work recommended for the next five years to bring the condition level to acceptable and adjusting it for factors such as location, contingency and consultant fees. Replacement costs were adjusted for inflation for facilities where recent information was not available.

Consultants gathered the original baseline data through a facility condition study completed in September 2002. Post-secondary institutions update the information, which is validated by the Ministry on an annual basis.

In spring 2006, the Real Estate Capital Asset Priority Planning system was rolled out to all supported post-secondary institutions. This is the first of the supported infrastructure groups to have full read-write access to the database. Institutions are now able to update event data in the system as remedial work is completed and identify facility deficiencies or new events that will require attention. The end result is a more accurate and up-to-date facility condition measure.

In 2006-07, approximately 500,000 square metres of supported gross floor area were re-evaluated by independent professional facility assessors. In some cases, events that had previously been coded as maintenance items (which are included in the FCI calculation) were re-coded as facility upgrades (a functional event which is not included in the FCI calculation). Also for the 2006-07 calculation, replacement values for the facilities were re-visited by the Ministry. The result was that many replacement values that were previously missing in the system were updated, based on new costing information, and assigned, based on the complexity or type of building.

The data assists with establishment of priorities, funding decisions and development of long-term facility management and capital plans. The boards of institutions and Infrastructure and Transportation jointly share the responsibility for the condition of post-secondary facilities.

6.d Client Satisfaction Survey (Boards) - Level of satisfaction indicated by Boards

The client satisfaction survey is conducted every two years and is based on calendar year. The last survey was conducted for the 2005 calendar year and the next survey will be conducted following the 2007 calendar year.

Goal 7 – Provide cross-ministry leadership and support to priority government programs and initiatives

7.a Client Satisfaction Survey (Real Estate) - Real estate quality of service rating

The client satisfaction survey is conducted every two years and is based on calendar year. The last survey was conducted for the 2005 calendar year and the next survey will be conducted following the 2007 calendar year.

Core Business 4

Goal 8 – Work with stakeholders and other jurisdictions to develop and promote policies in support of efficient transportation

8.a Barrier-free – under development

This performance measure continues to be evaluated and baseline data is under development.

8.b Stakeholder Satisfaction Survey – under development

This performance measure was evaluated and will not be implemented in the 2007-10 Business Plan.

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AUDITOR GENERAL
Alberta

Auditor's Report

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Infrastructure and Transportation as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry of Infrastructure and Transportation as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
May 18, 2007

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
STATEMENT OF OPERATIONS
Year ended March 31, 2007

(in thousands)

	2007 Budget (Schedule 4)	2007 Actual	2006 Actual (Restated - Note 3)
Revenues (Schedule 1)			
Transfer from Lottery Fund	$ 175,000	$ 175,000	$ 180,000
Transfers from Government of Canada	124,800	243,753	126,214
Fees, Permits and Licenses	13,920	24,902	26,039
Investment Income	-	2	16
Other Revenue	34,258	69,225	57,275
	347,978	512,882	389,544
Expenses - Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	45,488	42,417	44,010
Government Operations	308,002	305,491	275,484
Provincial Highway Systems and Safety	334,327	417,105	359,443
Strategic Economic Corridor Investment Initiative	3,800	-	-
Municipal Support Programs	1,042,200	1,133,769	1,108,419
Other Programs and Services	448,537	446,627	696,742
Non-Cash Items	343,372	327,586	274,136
	2,525,726	2,672,995	2,758,234
Statutory (Schedule 3 and 5)			
Valuation Adjustments			
Provision for Doubtful Accounts	-	58	629
Provision for Vacation Pay	-	667	1,040
Provision for Future Site Remediation and Reclamation	-	3,035	5,655
	-	3,760	7,324
	2,525,726	2,676,755	2,765,558
Gain on Disposal of Tangible Capital Assets	-	26,569	5,561
Net Operating Results	$ (2,177,748)	$ (2,137,304)	$ (2,370,453)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
STATEMENT OF FINANCIAL POSITION
As at March 31, 2007

	(in thousands) 2007	2006 (Restated - Note 3)
ASSETS		
Cash	$ 90	$ 835
Accounts Receivable (Note 4)	64,614	98,508
Advances (Note 5)	150	156
Inventories (Note 6)	12,392	13,210
Tangible Capital Assets (Note 7)	9,787,817	8,989,195
	$ 9,865,063	$ 9,101,904
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 288,219	$ 303,129
Holdbacks Payable	51,623	46,017
Deferred Revenue	18,309	43,184
Obligations under Public Private Partnerships (Note 11)	251,970	125,985
Liabilities for Future Site Remediation and Reclamation (Note 2)	39,326	35,666
	649,447	553,981
NET ASSETS		
Net Assets at Beginning of Year (Note 3)	$ 8,547,923	$ 8,121,451
Acquisition of Highways (Note 7)	96,059	
Net Operating Results	(2,137,304)	(2,370,453)
Net Transfer from General Revenues	2,708,938	2,796,925
Net Assets at End of Year	9,215,616	8,547,923
	$ 9,865,063	$ 9,101,904

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
STATEMENT OF CASH FLOWS
Year ended March 31, 2007

	(in thousands) 2007	2006 (Restated - Note 3)
Operating Transactions		
Net Operating Results	$ (2,137,304)	$ (2,370,453)
Non-cash items included in Net Operating Results:		
Amortization of Capital Assets and Consumption of Inventory	297,856	274,053
Gain on Disposal of Tangible Capital Assets	(26,569)	(5,561)
Grants in Kind	29,730	84
Donated Tangible Capital Asset	(28,892)	(12,609)
Non-cash Revenue	2,306	1,177
Other	593	564
Valuation Adjustments	3,760	7,324
	(1,858,520)	(2,105,421)
Changes in Working Capital		
(Increase) Decrease in Accounts Receivable	33,836	(64,334)
Decrease in Advances	6	31
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(15,577)	55,382
Increase in Holdbacks Payable	5,606	14,802
Increase (Decrease) in Deferred Revenue	(24,875)	39,399
Cash Applied to Operating Transactions	(1,859,524)	(2,060,141)
Capital and Inventory Transactions		
Acquisition of Tangible Capital Assets	(869,506)	(745,182)
Purchase of Inventories	(29,445)	(20,203)
Transfer of Tangible Capital Assets to Other Government Entities	19,036	16,279
Proceeds from Disposal of Tangible Capital Assets	29,756	11,837
Cash Applied to Capital and Inventory Transactions	(850,159)	(737,269)
Financing Transactions		
Net Transfer from General Revenues	2,708,938	2,796,925
Decrease in Cash	(745)	(485)
Cash, Beginning of Year	835	1,320
Cash, End of Year	$ 90	$ 835

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2007

NOTE 1 AUTHORITY AND PURPOSE

The Ministry of Infrastructure and Transportation (the "Ministry") operates under the authority of the Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.

The Minister of Infrastructure and Transportation (the "Minister") is responsible for:

- working with partners to provide cost-effective, innovative and sustainable building infrastructure to support the delivery of government services;
- managing government owned and operated facilities;
- providing realty services for government facilities;
- developing, constructing and maintaining an integrated transportation system to facilitate the safe and efficient movement of people and products, and the economic development of the Province;
- assisting in the provision of municipal water supply and waste water facilities;
- administering and providing funding for the Infrastructure Canada-Alberta Program which funds a wide variety of municipal infrastructure projects; and
- water management infrastructure under construction.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting Entity

The reporting entity is the Ministry of Infrastructure and Transportation for which the Minister of Infrastructure and Transportation is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. The net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met and a reasonable estimate of the amounts can be made. Transfers received before the preceding revenue recognition criteria have been met are included in accounts payable and accrued liabilities.

Dedicated Revenue

Dedicated Revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- amortization of tangible capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

- government transfers which are transfers of money to an individual, an organization or another government for which the Ministry does not receive any goods or services directly in return. The major types of transfers and corresponding recognition criteria are as follows:
  - grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made;
  - entitlements, which are non-discretionary because the amounts and recipients are prescribed, are recognized when eligibility occurs;
  - transfers under shared cost agreements, which are reimbursements of eligible expenditures, are recognized when the expenditures occur.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 8.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Inventories are valued at lower of cost or replacement cost.

Assets acquired by right are not recorded. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000. All land is capitalized.

Tangible capital assets of the Ministry include work in progress for buildings, computer hardware and software, highways and bridges. These costs are capitalized but not amortized until the asset is in service.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum to parties external to the government reporting entity, the fair values of these physical assets, less any nominal proceeds, are recorded as grants in kind.

Liabilities

Liabilities are recorded to the extent that they represent obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in a sacrifice of economic benefits in the future.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

Net Assets

Net assets represents the difference between the carrying value of assets held by the Ministry and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable, accrued liabilities, and holdbacks are estimated to approximate their carrying values because of the short term nature of these instruments.

Public Private Partnership (P3)

A Public-Private Partnership (P3) is defined as a cooperative venture based on contractual obligations between one or more public/private/not for profit partners that meets clearly defined public needs for the provision of goods or services.

The Ministry accounts for P3 projects in accordance with the substance of the underlying lease agreements. Leases that transfer substantially all the risks and rewards of ownership of the assets are accounted for as capital leases as follows:

- The capital asset value and the corresponding liability is the net present value (NPV) of the minimum lease payments.
- The discount rate used in calculating the NPV is the Government of Alberta's borrowing rate for the long term debt.
- Amortization of the capital assets starts once they are put into use and amortization is taken over their useful lives.

Prior to the inception of the lease agreement, the Ministry accounts for capital assets under construction as work in process based on estimates provided by external engineers.

Measurement Uncertainty
(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

Energy Rebates

Accrued liabilities for Energy Rebates recorded as $123,082 (2006-$113,483) in these financial statements are subject to measurement uncertainty. This amount is calculated based on management's estimate of rebate claims for the period ended March 31, 2007 less claims paid prior to the year-end. The rebate claims received are dependant on the market cost of natural gas and the volume of natural gas consumed. Historical results indicate that actual results may vary from the estimated obligation by as much as 10%.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

Site Remediation and Reclamation

Liabilities for Future Site Remediation and Reclamation recorded as $39,326 (2006-$35,666) in these financial statements are subject to measurement uncertainty. This amount is based on consultants' estimates of and historical costs to remediate or reclaim sites as well as expected expenditures on future reclamation activity. Actual costs may vary from these estimates and the variances may be material.

Certain liabilities exist for site remediation and reclamation which are or may be the responsibility of the Ministry. The potential costs relate to restoring building and other sites to acceptable contractual or environmental standards. A list of all potential sites has been compiled. For those sites where remediation is considered likely, a liability has been recorded based on management's best estimates. For all other sites, a reasonable estimate of potential liability cannot be made at this time.

NOTE 3 PROGRAM TRANSFERS AND GOVERNMENT REORGANIZATION

(in thousands)

Effective April 1, 2006, the School Facilities Infrastructure, Post-Secondary Facilities Infrastructure, and Health Care Facilities Infrastructure programs were transferred to Ministries of Education, Advanced Education and Technology, Health and Wellness respectively.

As a result of restructuring of government ministries announced on December 13, 2006, there were transfers of responsibility from the Ministry to and from other government departments. The responsibility for the Air and Vehicle Services program and the furniture function were transferred to the Department of Service Alberta. The responsibility for the capital planning and alternative financing functions was transferred to Alberta Treasury Board. The responsibility for the facility planning function was transferred from the Department of Service Alberta.

Administrative cost for 2006 have been restated as if the Ministry had always been assigned with its current responsibilities.

Net assets on March 31, 2005 is made up as follows:

Net assets as previously reported	$	8,138,960
Transfer to the Department of Service Alberta		(17,649)
Transfer from the Department of Service Alberta		(182)
Transfer to Alberta Treasury Board		25
Transfer to the Department of Advanced Education and Technology		1,540
Transfer to the Department of Education		-
Transfer to the Department of Health and Wellness		(1,243)
Net assets as restated at March 31, 2005	$	8,121,451

The costs of certain administrative functions are now the responsibility of the Department of Service Alberta. The Department of Service Alberta continues to provide this Department with the services related to these administrative functions, but no consideration is exchanged.

NOTE 4 ACCOUNTS RECEIVABLE

(in thousands)

	2007			2006
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value (Restated - Note 3)
Transfers from Government of Canada	$ 48,957	$ -	$ 48,957	$ 83,436
Swan Hills Treatment Plant	3,219	-	3,219	3,517
Rental and Other	3,037	1,153	1,884	2,833
Refunds from suppliers	518	-	518	742
Interest Receivable	-	-	-	316
Land Sales	2,115		2,115	-
Fees, Permits and Licenses	2,475	33	2,442	3,673
Cost Recoveries	5,479	-	5,479	3,991
	$ 65,800	$ 1,186	$ 64,614	$ 98,508

Accounts receivable are unsecured and non-interest bearing.

NOTE 5 ADVANCES

(in thousands)

	2007			2006
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Travel advances	$ 61	$ -	$ 61	$ 76
Other advances	89	-	89	80
	$ 150	$ -	$ 150	$ 156

NOTE 6 INVENTORIES

(in thousands)

Inventories consist of consumables and repair parts for the delivery of highway transportation programs, and waste treatment services.

	2007	2006 (Restated - Note 3)
Sand, salt and gravel	$ 10,887	$ 11,327
Chemical and parts inventories	1,505	1,883
	$ 12,392	$ 13,210

NOTE 7 TANGIBLE CAPITAL ASSETS

(in thousands)

The cost of tangible capital assets and the related accumulated amortization for the Ministry are summarized below.

		2007 Historical Cost [2]			
	Estimated Useful Life	Beginning of Year	Additions	Disposals, including write-downs	End of Year
Land	Indefinite	$ 989,977	$ 103,561	$ (25,622)	$ 1,067,916
Land Improvements	40 years	8,143	298	-	8,441
Buildings	40 years	1,929,494	143,708	(12,806)	2,060,396
Equipment	5-40 years	25,371	4,826	(324)	29,873
Computer hardware and software	3-10 years	104,518	16,938	-	121,456
Provincial highways and roads (1)	50 years	8,642,614	754,958	(2,644)	9,394,928
Bridges	50 years	958,467	47,773	(9)	1,006,231
Dams and water management structures (3)		62,488	29,494	(21,500)	70,482
Other (4)	3-40 years	90,373	19,388	(3,750)	106,011
		$ 12,811,445	$ 1,120,944	$ (66,655)	$ 13,865,734
2006 Total (Restated - Note 3)		$ 11,963,353	$ 859,134	$ (11,041)	$ 12,811,446

	2007 Accumulated Amortization				Net Book Value	
	Beginning of Year	Amortization Expense	Effect of Disposals	End of Year	March 31, 2007	March 31, 2006 (Restated - Note 3)
Land	$ -	$ -	$ -	$ -	$ 1,067,916	$ 989,977
Land Improvements	1,385	631	-	2,016	6,425	6,758
Buildings	913,853	40,919	(7,199)	947,573	1,112,823	1,015,641
Equipment	10,357	1,830	(117)	12,070	17,803	15,014
Computer hardware and software	63,843	12,474	-	76,317	45,139	40,675
Provincial highways and roads (1)	2,525,281	184,263	(365)	2,709,179	6,685,749	6,117,333
Bridges	250,430	21,538	(2)	271,966	734,265	708,037
Dams and water management structures (3)	-	-	-	-	70,482	62,488
Other (4)	57,101	5,397	(3,702)	58,796	47,215	33,272
	$ 3,822,250	$ 267,052	$ (11,385)	$ 4,077,917	$ 9,787,817	$ 8,989,195
2006 Total (Restated-Note 3)	$ 3,571,637	$ 255,063	$ (4,650)	$ 3,822,250		

NOTE 7 TANGIBLE CAPITAL ASSETS (continued)

(in thousands)

(1) Highways include original pavement, roadbed, drainage works, and traffic control devices.
(2) Included in the cost of land improvements, buildings, equipment, computer hardware and software, provincial highways and roads, bridges, and dams and water management structures is work in progress amounting to $1,100,790 (2006 - $760,803). Included in this work in progress amount is the estimated progress to date of $301,970 (2006 - $150,985) on the South East Anthony Henday Ring Road. See Note 11.
(3) Dams and water management structures are constructed by the Ministry and transferred to the Department of Environment upon their completion. The Ministry of Infrastructure and Transportation does not amortize these assets.
(4) Includes trailers and leasehold improvements.

Acquisition of arterial roadways in the City of Edmonton

On September 7, 1999, the Alberta government announced a new transportation plan which included significant changes in responsibility for highways in the Province. The transfer of assets is recorded when they are turned-over to the Province to manage their maintenance. Effective October 11,2006, the Ministry assumed responsibility for the construction and maintenance of 31.9 km of arterial highways in the City of Edmonton.

The Ministry recorded the acquisitions as an adjustment to net assets. The Ministry valued the assets at an amortized estimated historical cost in the amount of $96,059.

NOTE 8 STRATEGIC HIGHWAY INFRASTRUCTURE PROGRAM

In August 2001, the Alberta Government and the Federal Government signed a five-year Strategic Highway Infrastructure Program (SHIP) agreement. Under the agreement, the two governments shared the costs of certain projects for the construction and rehabilitation work on the national highway system in the Province. Alberta Infrastructure and Transportation undertook the projects and the Federal Government reimbursed 50% of the eligible cost of approved projects.

The projects are to be completed between August 23, 2001 and March 31, 2006, with a one-year clean-up period for completing all projects by March 31,2007 and with the total eligible expenditures expected to be $92.4 million. Due to construction issues, the Alberta Ministry of Infrastructure and Transportation has requested to extend the agreement by one year to March 31, 2008, pending Transport Canada's approval.

Transfers from the Federal Government are recognized as revenue when eligible expenses are incurred. The full cost of the project is being capitalized and amortized over the useful life of the infrastructure.

NOTE 9 CANADA STRATEGIC INFRASTRUCTURE FUND

(in thousands)

The Canada Strategic Infrastructure Fund (CSIF) is a program whereby the Federal Government contributes funding to large scale infrastructure projects across the country. There are two projects that the Department is receiving funding for under CSIF - Edmonton Southeast Anthony Henday Ring Road ($75,000 over 3 years beginning in 2005-06) and Calgary Northwest Stoney Trail Ring Road ($75,000 over 4 years beginning in 2005-06).

Transfers from the Federal Government are recognized as revenue when eligible expenses are incurred. The full cost of the projects will be capitalized and amortized over the useful life of the infrastructure.

NOTE 10 CONTRACTUAL OBLIGATIONS

(in thousands)

As at March 31, 2007, the Ministry had the following contractual obligations:

	2007	2006 (Restated - Note 3)
Capital Investment		
Construction Contracts and Service Agreements (1)	$ 557,627	$ 627,430
Land Purchases	24,663	-
Operating Expense		
Maintenance Contracts and Service Agreements	1,100,463	734,788
Grants	2,403,753	2,816,110
Long-term Leases (1)	432,981	476,034
	$ 4,519,487	$ 4,654,362

(1) Amount does not include Obligations Under Private Public Partnerships - See Note 11.

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Capital Investment		Operating Expense			
	Construction Contracts and Service Agreements	Land Purchases	Maintenance Contacts and Service Agreements	Grants	Leases	Total
2008	$ 435,993	$ 9,671	$ 314,032	$ 1,203,753	$ 109,064	$ 2,072,513
2009	85,603	6,166	189,703	600,000	90,835	972,307
2010	21,602	8,826	144,652	600,000	77,650	852,730
2011	10,154	-	131,430	-	56,314	197,898
2012	3,808	-	112,237	-	36,085	152,130
Thereafter	467	-	208,409	-	63,033	271,909
	$ 557,627	$ 24,663	$ 1,100,463	$ 2,403,753	$ 432,981	$ 4,519,487

In addition to the contractual commitments identified above, Alberta Infrastructure and Transportation has entered into 105 (2006 - 108) contracts with natural gas suppliers to provide rebates to consumers under the Natural Gas Price Protection Act. The obligations associated with these contracts are not included in the amounts disclosed above as the amounts that may be paid under these contracts cannot be estimated and are contingent upon future market rates for natural gas and upon weather conditions that may exist during the rebate period. The expense incurred under these contracts was $342,429 (2006 - $565,858).

NOTE 11 OBLIGATIONS UNDER PUBLIC PRIVATE PARTNERSHIPS

Anthony Henday - Edmonton Ring Road:

In January 2005, the Ministry entered a contract for the design, finance, build and maintenance of the South East Anthony Henday Ring Road. The total capital cost of the project is $431.3 million (Federal contribution of $75 million plus NPV of lease payments of $356.4 million) and is scheduled to be complete in October 2007. The project is being jointly funded by the Federal Government and the Ministry. The Federal contribution consists of annual payments of $25 million in the three years commencing in 2005-06 and ending in 2007-08 subject to completion of specific milestones. Upon completion of the project, the Ministry will lease the road from the contractor for a 30 year period. Lease payments will begin in October 2007 or upon completion of the project, whichever is later. The net present value of the minimum lease payments at October 2007 calculated using the Government of Alberta borrowing rate of 5.3% is $356.4 million.

The obligation is calculated as follows (in thousands):

		2007	2006
Total Capital Cost	$ 431,386		
Percentage Complete at March 31		70%	35%
Work in Progress		301,970	150,985
Federal Government Contribution		(50,000)	(25,000)
Obligation		$ 251,970	$ 125,985

The details of the capital lease payments for the South East Anthony Henday Ring Road are identified below. The monthly capital payments including interest and principal are $1.95 million. There is also monthly variable payments for Operation and Maintenance (O&M) of the South East and South West Anthony Henday Ring Road which commence in October 2007. The details of O&M payments identified below also include Major Rehabilitation payments for the South East Anthony Henday. These payments will be indexed for inflation.

As at March 31, 2007, the Ministry had the following commitments for the Public Private Partnership : (in thousands)

	2007	2006
Capital Lease Payments	$ 702,830	$ 702,830
Operation and Maintenance Payments	312,299	312,299
Federal Contribution (Note 9)	25,000	50,000
	$ 1,040,129	$ 1,065,129

NOTE 11 OBLIGATIONS UNDER PUBLIC PRIVATE PARTNERSHIPS (continued)

Anthony Henday - Edmonton Ring Road (continued):

The aggregate amounts payable for the unexpired term of the obligation is as follows: (in thousands)

	Capital Lease	Operation & Maintenance	Federal Contribution	Total
2008	$ 10,139	$ 3,845	$ 25,000	$ 38,984
2009	23,428	8,508	-	31,936
2010	23,428	10,173	-	33,601
2011	23,428	12,736	-	36,164
2012	23,428	8,886	-	32,314
Thereafter	598,979	268,151	-	867,130
	$ 702,830	$ 312,299	$ 25,000	$ 1,040,129

Stoney Trail - Calgary Ring Road:

In February 2007, the Ministry entered a contract for the design, finance, build and maintenance of the North East Stoney Trail Ring Road and is scheduled to be completed in October 2009. Upon completion of the project, the Ministry will lease the road from the contractor for a 30 year period. The Ministry will make progress payments of $300 million during construction from 2007-08 to 2009-10. Lease payments will begin in November 2009 or upon completion of the project, whichever is later. The net present value of the minimum lease payments at November 2009 calculated using the Government of Alberta borrowing rate of 4.75% is $156.3 million.

The details of the capital lease for Stoney Trail Ring Road are identified below. The monthly capital lease payments including interest and principal are $0.8 million. There is also monthly variable payments for Operation and Maintenance (O&M) of the North East as well as North West Stoney Trail Ring Road which commence in November 2009. The details of O&M payments identified below also include Major Rehabilitation payments for North East Stoney Trail. These payments will be indexed for inflation.

As at March 31, 2007, the Ministry had the following commitments for the Public Private Partnership : (in thousands)

	2007
Capital Lease Payments	$ 290,193
Operation and Maintenance Payments	354,003
Progress Payments	300,000
	$ 944,196

NOTE 11 OBLIGATIONS UNDER PUBLIC PRIVATE PARTNERSHIPS (continued)

Stoney Trail - Calgary Ring Road (continued):

The aggregate amounts payable for the unexpired term of the obligation is as follows: (in thousands)

	Capital Lease	Operation & Maintenance	Progress Payments	Total
2008	$ -	$ -	$ 40,000	$ 40,000
2009	-	-	160,000	160,000
2010	4,030	4,702	100,000	108,732
2011	9,673	10,205	-	19,878
2012	9,673	10,201	-	19,874
Thereafter	266,817	328,895	-	595,712
	$ 290,193	$ 354,003	$ 300,000	$ 944,196

NOTE 12 SWAN HILLS TREATMENT PLANT

On December 31, 2000, the buildings and equipment of the Swan Hills Treatment Plant were acquired by the Ministry for one dollar from a subsidiary of Bovar Inc. The facility is operated by the Ministry through a contracted operator and results of operations are included in these financial statements.

In addition, certain lands relating to the Swan Hills Treatment Plant and the associated environmental obligations were transferred to the Ministry effective March 31, 2004.

As a result of an agreement between ministers of Environment, Infrastructure and Transportation, and Sustainable Resource Development, the land and responsibilities of the Swan Hills Waste Treatment Plant and related warehouse sites were transferred to the Ministry.

A study by an environmental consultant in October 2002 estimated that the cost of remediating and monitoring the Swan Hills Treatment Plant site was $25.9 million at that time. Management has accepted that estimate as valid. Assuming the work will be performed in 2018 the cost of reclamation will have escalated to $37.5 million. The $30.6 million recorded as at March 31, 2007 will increase by $625,000 per year until 2018, at which time the liability will equal $37.5 million.

NOTE 12 SWAN HILLS TREATMENT PLANT (continued)

(in thousands)

At March 31, 2007 the assets and liabilities of plant operations were as follows:

	2007	2006
Assets		
Accounts Receivable	$ 3,219	$ 3,517
Chemical and parts inventories	1,505	1,883
Capital Assets	9,818	10,226
	$ 14,542	$ 15,626
Liabilities		
Accounts Payable	$ 1,812	$ 2,579
Deferred Revenue	2,656	1,986
	$ 4,468	$ 4,565

Net operating results from plant operations for the years ended March 31 were as follows:

	2007	2006
Revenue (1)	$ 11,742	$ 14,590
Plant expenses before inventory transactions (2)	22,666	20,866
Consumption of consumable and repair part inventories (3)	2,250	2,139
Amortization (4)	1,794	851
	26,710	23,856
Net operating results from plant operations	$ (14,968)	$ (9,266)
Purchase of consumable and repair part inventories	$ 1,872	$ 2,438
Capital investment in plant and equipment	$ 1,386	$ 2,282

(1) The amount reported on Schedule 1 includes revenue from the rental of housing of $128 (2006 - $250).

(2) The amount reported on Schedule 5 includes expenses for environmental and financial assessments of $129 (2006 - $103) and costs of rental housing of $103 (2006 - $180). Plant costs include a provision of $625 for site reclamation and environmental monitoring.

(3) Some inventories were acquired at zero cost. The fair value of inventories consumed were $ 224 (2006 - $306) in excess of the cost recorded for the year ended March 31, 2007.

(4) Included in the Financial Transactions on Schedule 5.

NOTE 13 CONTINGENT LIABILITIES

($ in thousands)

At March 31, 2007, the Ministry is a defendant in 150 legal/other claims (2006 - 163 claims). One hundred and twenty-seven of these claims have specified amounts totaling $487,487 and the remaining 23 have no specified any amount (2006 - 145 claims with a specified amount of $594,929 and 18 with no specified amount). Included in the total legal claims are six claims in which the Ministry has been jointly named with other entities, three of which have specified claims amounting to $203,600. Sixty claims amounting to $104,851 are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Certain contingent liabilities may exist for site remediation and reclamation which may be the responsibility of the Ministry. The potential costs relate to contaminated lands purchased for highway construction and to restoring buildings and other sites to acceptable and contractual standards. Except as disclosed in Note 2, the amount of such potential contingent liabilities cannot be reasonably determined and costs for site remediation and reclamation are recognized in the financial statements when work is undertaken.

NOTE 14 TRUST FUNDS UNDER ADMINISTRATION

(in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

As at March 31, 2007, trust funds under the Ministry's administration were as follows:

	2007	2006
The General Trust Fund	$ 765	$ 491
The Security Deposit Trust Fund	157	169
Impaired Driving Initiatives Trust Fund	217	166
	$ 1,139	$ 826

The General Trust Fund holds interest bearing securities posted by contractors.
The Security Deposit Trust Fund holds deposits from tenants for rented property.
The Impaired Driving Initiatives Trust Fund holds fines from individuals convicted of impaired driving. Trust funds are used for education programs.

NOTE 15 PAYMENTS UNDER AGREEMENT

(in thousands)

The Ministry has entered into agreements to deliver programs and services that are partly funded by the Government of Canada, the Kananaskis Improvement District and private companies. Costs incurred under these agreements are made by the Ministry under authority of the Financial Administration Act, Section 25. Amounts paid and payable under agreements with program sponsors are as follows:

Accounts receivable includes $895 (2006 - $0) relating to payments under agreement.

	2007	2006
Government of Canada (program sponsor)		
Infrastructure Canada - Alberta Program	$ 15,439	$ 25,509
Kananaskis Improvement District (program sponsor)		
Roadway maintenance	73	73
Tourism Oriented Directional Signage (TODS) and Logo Signs Program	1,892	374
	$ 17,404	$ 25,956

NOTE 16 DEFINED BENEFIT PLANS

(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense of these pension plans is equivalent to the annual contributions of $9,743 for the year ended March 31, 2007 (2006 - $9,274).

At December 31, 2006, the Management Employees Pension Plan reported a deficiency of $6,765 (2005 - $165,895) and the Public Service Pension Plan reported a surplus of $153,024 (2005 - deficiency of $187,704). At December 31, 2006, the Supplementary Retirement Plan for Public Service Managers had a surplus of $3,698 (2005 - $10,018).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2007, the Bargaining Unit Plan reported an actuarial surplus of $153 (2006 - actuarial deficiency of $8,699) and the Management, Opted Out and Excluded Plan an actuarial surplus of $10,148 (2006 - $8,309). The expense for these two plans is limited to employer's annual contribution for the year.

NOTE 17 COMPARATIVE FIGURES

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

NOTE 18 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
REVENUES
Year ended March 31, 2007

Schedule 1

(in thousands)

	2007		2006
	Budget	Actual	Actual (Restated - Note 3)
Internal Government Transfers			
Transfer from Lottery Fund	$ 175,000	$ 175,000	$ 180,000
Transfers from the Government of Canada			
Cost Recoveries and Contributions	124,800	243,753	126,214
Fees, Permits and Licenses			
Civil Service Parking	2,700	2,934	2,927
Motor Transport Services & Other Premiums	11,220	21,968	23,112
	13,920	24,902	26,039
Investment Income	-	2	16
Other Revenue			
Refunds of Expenditure	2,950	2,005	6,246
Lethbridge Railway Relocation Project	225	301	400
Swan Hills Treatment Centre	13,000	11,870	14,840
Rentals (Land and Buildings)	10,955	11,394	11,819
Tourism Highway Signage Initiative	1,700	1,891	374
Cost Recoveries	4,700	3,840	7,086
Donated Tangible Capital Asset	-	28,892	12,609
Miscellaneous	728	9,032	3,901
	34,258	69,225	57,275
	$ 347,978	$ 512,882	$ 389,544

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
DEDICATED REVENUE INITIATIVES
For the year ended March 31, 2007
(in thousands)

Schedule 2

	2007		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	(Shortfall)/ Excess
Property Rentals (Land and Buildings)	$ 11,435	$ 11,394	$ (41)
Swan Hills Treatment Centre	13,000	11,870	(1,130)
Motor Transport Permits and Licenses	2,800	2,800	-
Tourism Highway Signage Initiative	1,000	1,891	891
National Safety Code	500	500	-
Infrastructure Canada-Alberta Program	150	279	129
Calgary Children's Hospital - 16th Ave Interchange	4,700	2,821	(1,879)
Strategic Economic Corridor Investment Initiative	529	470	(59)
Natural Resources Canada	38	66	28
	$ 34,152	$ 32,091 [1]	$ (2,061)

[1] Shortfall is deducted from current year's authorized budget, as disclosed in Schedules 4 and 5 to the financial statements.

Property Rentals
Rent is charged to agencies of government and other entities which occupy space in government operated buildings or which utilize land owned by government.

Swan Hills Treatment Centre
The private sector is charged for the disposal of hazardous waste.

Motor Transport Permits and Licenses
A portion of the revenue for Motor Transport Permits and Licenses has been allocated to dedicated revenue. This revenue partially offsets expenditures made to accommodate Alberta's increasing traffic volumes.

Tourism Highway Signage Initiative
The private sector is contributing to the capital investment in new tourism highway-sign structures in the province.

National Safety Code
The Federal Government provides financial assistance to the provincial/territorial jurisdictions to assist in achieving consistent implementation of the National Safety Code. The Federal Government has agreed to contribute $500 per year for 4 years beginning in 2004-2005 and terminating in 2007-2008.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
DEDICATED REVENUE INITIATIVES
For the year ended March 31, 2007
(in thousands)

Schedule 2
(continued)

Infrastructure Canada-Alberta Program

The Infrastructure Canada Alberta Program is a joint project with the Federal Government and Municipalities. The Federal Government is reimbursing the Ministry for the administrative costs of this project.

Calgary Children's Hospital - 16th Ave Interchange

The City of Calgary is contributing to the construction of the interchange.

Strategic Economic Corridor Investment Initiative

The Federal Government is providing funding for the Intelligent Transportation Systems project.

Natural Resources Canada

There is an agreement between Natural Resources Canada and Alberta Infrastructure and Transportation for the maintenance of the National Road Network digital database. The costs are split 50/50 between Federal and Provincial Governments.

The above dedicated revenues are included in the Statement of Operations.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
Year ended March 31, 2007

Schedule 3

(in thousands)

	2007		2006
	Budget	Actual	Actual (Restated - Note 3)
Voted:			
Salaries, Wages and Employee Benefits	$ 130,215	$ 122,048	$ 119,524
Supplies and Services	672,612	703,264	617,093
Grants	1,408,667	1,549,670	1,747,060
Financial Transactions and Other	860	157	504
Amortization of Tangible Capital Assets and Consumption of Inventory	313,372	297,856	274,053
Total Voted Expenses	$ 2,525,726	$ 2,672,995	$ 2,758,234
Statutory:			
Valuation Adjustments			
Provision for Doubtful Accounts	$ -	$ 58	$ 629
Provision for Vacation Pay	-	667	1,040
Provision for Future Site Remediation and Reclamation	-	3,035	5,655
	$ -	$ 3,760	$ 7,324

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
BUDGET
Year Ended March 31, 2007
(in thousands)

Schedule 4

	2006-2007				
	Estimates (a)	Adjustment (b)	Budget	Authorized Supplementary (c)	Authorized Budget
Revenues					
Transfer from Alberta Lottery Fund	$ 175,000	$ -	$ 175,000	$ -	$ 175,000
Transfers from Government of Canada	124,800	-	124,800	132,084	256,884
Fees, Permits and Licenses	13,920	-	13,920	2,800	16,720
Investment Income	-	-	-	-	-
Other Revenue	34,258	-	34,258	(220)	34,038
	347,978	-	347,978	134,664	482,642
Expenses - Directly Incurred					
Voted Expenses					
Ministry Support Services	45,488	-	45,488	-	45,488
Government Operations	308,002	-	308,002	5,780	313,782
Provincial Highway Systems and Safety	334,327	-	334,327	36,300	370,627
Strategic Economic Corridor Investment Initiative	3,800	-	3,800	-	3,800
Municipal Support Programs	1,042,200	-	1,042,200	147,866	1,190,066
Other Programs and Services	448,537	-	448,537	-	448,537
Non-Cash Items	343,372	-	343,372	(17,372)	326,000
Dedicated Revenue Shortfall (Schedule 2)	-	(2,061)	(2,061)	-	(2,061)
	2,525,726	(2,061)	2,523,665	172,574	2,696,239
Statutory Expenses					
Valuation Adjustments					
Provision for Doubtful Accounts	-	-	-	-	-
Provision for Vacation Pay	-	-	-	-	-
Provision for Future Site Remediation and Reclamation	-	-	-	3,250	3,250
	-	-	-	3,250	3,250
	2,525,726	(2,061)	2,523,665	175,824	2,699,489
Net Operating Results	$ (2,177,748)	$ 2,061	$ (2,175,687)	$ (41,160)	$ (2,216,847)
Equipment/Inventory Purchases	$ 40,095	$ -	$ 40,095	$ 2,500	$ 42,595
Capital Investment	$ 1,089,590	$ 12,288	$ 1,101,878	$ 127,519	$ 1,229,397
Statutory Capital Investment					
Public Private Partnership for Edmonton Southeast Ring Road	$ 148,400	$ -	$ 148,400	$ -	$ 148,400
	$ 148,400	$ -	$ 148,400	$ -	$ 148,400

(a) Estimates have been adjusted to reflect the transfer of $21,378 for emerging capital purposes to other departments, pursuant to the Appropriation Act, 2006, section 5(1)(a).

(b) Adjustments include dedicated revenue shortfalls and increases as a result of approved capital carry-over of the 2005-06 unused appropriation, pursuant to the Financial Administration Act, section 28.1.

(c) Supplementary Estimates were approved on September 8, 2006 and March 23, 2007. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EIP, CAPITAL INVESTMENT AND STATUTORY EXPENSES
BY ELEMENT TO AUTHORIZED BUDGET
For the year ended March 31, 2007
(in thousands)

Schedule 5

		2006-2007						
		Estimates (a)	Adjustments (b)	Budget	Authorized Supplementary (c)	Authorized Budget	Actual Expense (d)	Unexpended (Over Expended)
1	**Ministry Support Services**							
1.0.1	Minister's Office	$ 495	$ -	$ 495	$ -	$ 495	$ 490	$ 5
1.0.2	Standing Policy Committee on Agriculture and Municipal Affairs	108	-	108	-	108	85	23
1.0.3	Deputy Minister's Office	535	-	535	-	535	626	(91)
1.0.4	Communications	810	-	810	-	810	681	129
1.0.5	Strategic Services							
	- Operating Expense	43,540	-	43,540	-	43,540	40,535	3,005
	- Equipment/Inventory Purchases	11,870	-	11,870	-	11,870	13,886	(2,016)
Total Program 1		57,358	-	57,358	-	57,358	56,303	1,055
2	**Government Operations**							
2.0.1	Property Operations							
	- Operating Expense	140,020	-	140,020	480	140,500	138,363	2,137
	- Equipment/Inventory Purchases	-	-	-	-	-	33	(33)
2.0.2	Leases							
	- Operating Expense	111,207	-	111,207	-	111,207	112,163	(956)
2.0.3	Capital and Accommodation Projects							
	- Operating Expense	25,000	-	25,000	-	25,000	7,318	17,682
	- Equipment/Inventory Purchases	-	-	-	-	-	14,170	(14,170)
	- Capital Investment	126,170	35,332	161,502	28,520	190,022	140,859	49,163
2.0.4	Government Owned Facilities Preservation							
	- Operating Expense	9,675	-	9,675	-	9,675	13,732	(4,057)
	- Capital Investment	-	-	-	-	-	6,437	(6,437)
2.0.5	Land and Site Environmental Services							
	- Operating Expense	3,475	-	3,475	5,300	8,775	11,017	(2,242)
	- Capital Investment	13,173	4,875	18,048	74,700	92,748	86,105	6,643
2.0.6	Swan Hills Treatment Centre							
	- Operating Expense	18,625	-	18,625	-	18,625	22,898	(4,273)
	- Equipment/Inventory Purchases	3,000	-	3,000	-	3,000	3,258	(258)
Total Program 2		450,345	40,207	490,552	109,000	599,552	556,353	43,199
3	**Provincial Highway Systems and Safety**							
3.0.1	Provincial Highway Maintenance and Minor Programs							
	- Operating Expense	233,659	-	233,659	-	233,659	255,077	(21,418)
	- Equipment/Inventory Purchases	-	-	-	-	-	27,573	(27,573)
3.0.2	Provincial Highway Rehabilitation							
	- Operating Expense	8,285	-	8,285	36,000	44,285	73,588	(29,303)
	- Operating Expense funded by Lotteries	55,000	-	55,000	-	55,000	55,000	-
3.0.3	Transportation Safety Services							
	- Operating Expense	36,220	-	36,220	300	36,520	32,398	4,122
3.0.4	Transportation Safety Board	1,163	-	1,163	-	1,163	1,042	121
3.0.5	Provincial Highway Systems							
	- Equipment/Inventory Purchases	25,225	-	25,225	2,500	27,725	2,210	25,515
	- Capital Investment	350,733	1,854	352,587	11,299	363,886	215,543	148,343
Total Program 3		710,285	1,854	712,139	50,099	762,238	662,431	99,807
4	**Strategic Economic Corridor Investment Initiative**							
4.0.1	Strategic Economic Corridor Investment Initiative							
	- Operating Expense	3,800	-	3,800	-	3,800	-	3,800
	- Capital Investment	450,748	(37,678)	413,070	12,000	425,070	358,614	66,456
Total Program 4		454,548	(37,678)	416,870	12,000	428,870	358,614	70,256

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EIP, CAPITAL INVESTMENT AND STATUTORY EXPENSES
BY ELEMENT TO AUTHORIZED BUDGET
For the year ended March 31, 2007
(in thousands)

Schedule 5

		2006-2007						
		Estimates (a)	Adjustments (b)	Budget	Authorized Supplementary (c)	Authorized Budget	Actual Expense (d)	Unexpended (Over Expended)
5	**Municipal Support Programs**							
5.0.1	Alberta Municipal Infrastructure Program	600,000	-	600,000	-	600,000	585,069	14,931
5.0.2	Alberta Cities Transportation Partnerships							
	- Operating Expense	178,800	-	178,800	-	178,800	150,703	28,097
	- Operating Expense funded by Lotteries	25,000	-	25,000	-	25,000	25,000	-
5.0.3	Rural Transportation Partnerships							
	- Operating Expense	18,500	-	18,500	5,190	23,690	28,295	(4,645)
	- Operating Expense funded by Lotteries	40,000	-	40,000	-	40,000	40,000	-
5.0.4	Resource Road Program							
	- Operating Expense	16,000	-	16,000	-	16,000	15,849	151
	- Capital Investment	1,000	847	1,847	-	1,847	64	1,783
5.0.5	Streets Improvement Program							
	- Operating Expense	5,600	-	5,600	-	5,600	3,472	2,128
	- Operating Expense funded by Lotteries	25,000	-	25,000	-	25,000	25,000	-
5.0.6	Water for Life							
	- Operating Expense	7,100	-	7,100	11,161	18,261	50,306	(32,045)
	- Operating Expense funded by Lotteries	25,000	-	25,000	-	25,000	25,000	-
5.0.7	Federal Funding for Cities and Communities	57,200	-	57,200	131,405	188,605	172,984	15,621
5.0.8	Canada-Alberta Municipal Rural Infrastructure Fund	30,000	-	30,000	-	30,000	-	30,000
5.0.9	Infrastructure Canada-Alberta Program							
	- Operating Expense	9,000	-	9,000	150	9,150	7,090	2,060
	- Operating Expense funded by Lotteries	5,000	-	5,000	-	5,000	5,000	-
Total Program 5		1,043,200	847	1,044,047	147,866	1,191,913	1,133,832	58,081
6	**Other Programs And Services**							
6.0.1	Seniors' Lodges	-	-	-	-	-	1,202	(1,202)
6.0.2	Energy Rebates	362,000	-	362,000	-	362,000	377,905	(15,905)
6.0.3	Capital for Emergent Projects							
	- Operating Expense	28,622	-	28,622	-	28,622	8,787	19,835
	- Equipment/Inventory Purchases	-	-	-	-	-	892	(892)
	- Capital Investment	122,000	2,029	124,029	-	124,029	25,973	98,056
6.0.4	Program Services							
	- Operating Expense	57,915	-	57,915	-	57,915	58,734	(819)
	- Equipment/Inventory Purchases	-	-	-	-	-	1,837	(1,837)
6.0.5	Water Management Infrastructure							
	- Capital Investment	25,766	5,029	30,795	1,000	31,795	30,389	1,406
Total Program 6		596,303	7,058	603,361	1,000	604,361	505,719	98,642
7	**Non-Cash Items**							
7.0.1	Amortization of Capital Assets	286,372	-	286,372	(17,372)	269,000	267,052	1,948
7.0.2	Consumption of Inventories	27,000	-	27,000	-	27,000	30,804	(3,804)
7.0.3	Nominal Sum Disposals	30,000	-	30,000	-	30,000	29,730	270
Total Program 7		343,372	-	343,372	(17,372)	326,000	327,586	(1,586)
Dedicated Revenue Shortfall (Schedule 2)		-	(2,061)	(2,061)	-	(2,061)	-	(2,061)
Grand Total		$ 3,655,411	$ 10,227	$ 3,665,638	$ 302,593	$ 3,968,231	$ 3,600,838	$ 367,393
Program Operating Expense		$ 2,350,726	$ (2,061)	$ 2,348,665	$ 172,574	$ 2,521,239	$ 2,497,995	$ 23,244
Program Operating Expense Funded by Lotteries		175,000	-	175,000	-	175,000	175,000	-
Equipment/Inventory Purchases		40,095	-	40,095	2,500	42,595	63,859	(21,264)
		2,565,821	(2,061)	2,563,760	175,074	2,738,834	2,736,854	1,980
Program Capital Investment		1,089,590	12,288	1,101,878	127,519	1,229,397	863,984	365,413
		1,089,590	12,288	1,101,878	127,519	1,229,397	863,984	365,413
		$ 3,655,411	$ 10,227	$ 3,665,638	$ 302,593	$ 3,968,231	$ 3,600,838	$ 367,393

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EIP, CAPITAL INVESTMENT AND STATUTORY EXPENSES
BY ELEMENT TO AUTHORIZED BUDGET
For the year ended March 31, 2007
(in thousands)

Schedule 5

	2006-2007						
	Estimates (a)	Adjustments (b)	Budget	Authorized Supplementary (c)	Authorized Budget	Actual Expense (d)	Unexpended (Over Expended)
Statutory Expenses							
Public Private Partnership for Edmonton Southeast Ring Road	$ 148,400	$ -	$ 148,400	$ -	$ 148,400	$ 125,985	$ 22,415
Health Facility	-	-	-	-	-	1	(1)
Valuation Adjustments							
Provision for Doubtful Accounts	-	-	-	-	-	58	(58)
Provision for Vacation Pay	-	-	-	-	-	667	(667)
Provision for Future Site Remediation and Reclamation	-	-	-	3,250	3,250	3,035	215
	$ 148,400	$ -	$ 148,400	$ 3,250	$ 151,650	$ 129,746	$ 21,904

(a) Estimates have been adjusted to reflect the transfer of $21,378 for emerging capital purposes to other departments, pursuant to the Appropriation Act, 2006, section 5(1)(a).

(b) Adjustments include dedicated revenue shortfalls and increases as a result of approved capital carry-over of the 2005-06 unused appropriation, pursuant to the Financial Administration Act, section 28.1.

(c) Supplementary Estimates were approved on September 8, 2006 and March 23, 2007. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).

(d) Includes Achievement bonus of $2,587.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
SALARY AND BENEFITS DISCLOSURE
Year ended March 31, 2007

Schedule 6

	2007				2006
	Base Salary (1)	Other Cash Benefits (2)	Other Non-cash Benefits (3)	Total	Total
Deputy Minister [4]	$ 206,000	$ 62,678	$ 44,804	$ 313,482	$ 297,669
Chair, Transportation Safety Board	157,044	25,127	35,962	218,133	203,165
Assistant Deputy Ministers (ADM)					
Properties	157,044	25,127	8,546	190,717	183,964
Capital Projects [5]	150,168	25,276	34,768	210,212	91,731
Transportation Safety Services [6]	109,971	53,329	25,161	188,461	203,140
Transportation and Civil Engineering [7]	140,433	19,469	33,240	193,142	202,822
Policy and Corporate Services [8]	149,464	23,229	34,547	207,240	222,101

Prepared in accordance with Treasury Board Directive 12/98 as amended.

Total salary and benefits related to a position are disclosed.

(1) Base salary includes pensionable base pay.
(2) Other cash benefits include bonuses, vacation payouts, overtime, and lump sum payments.
(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plan, health care, dental coverage, group life, insurance, short and long term disability plans, professional memberships and tuition fees.
(4) Automobile provided, no dollar amount included in non-cash benefits figures.
(5) The incumbent was appointed to the position in November 2005. The previous appointee retired effective March 31, 2005.
(6) The incumbent was appointed to the position in October 2006. The previous appointee retired effective June 30, 2006.
(7) The incumbent held the position up to September 2006 and was appointed to the position of ADM, Policy and Corporate Services in September 2006. From September 2006, 2 management staff were acting in the position.
(8) The previous appointee retired effective March 2006. Senior Financial Officer was acting from March to August 2006 . The ADM for Transportation and Civil Engineering was appointed to this position in September 2006.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS
Year ended March 31, 2007
(in thousands)

Schedule 7

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2007	2006 (Restated - Note 3)
Revenues		
Lottery Fund	$ 175,000	$ 180,000
Parking/Rental	3,923	2,437
SUCH Sector Entities	799	737
Swan Hills Treatment Centre	480	480
	$ 180,202	$ 183,654
Expenses - Directly Incurred		
Business and Technology Services	$ 5,843	$ 9,613
SUCH Sector Entities	4,079	1,598
Insurance	1,956	1,749
	$ 11,878	$ 12,960
Accounts Receivable from SUCH[1] Sector Entities	$ 403	$ 151
Accounts Payable to SUCH[1] Sector Entities	$ 173	$ 70
Nominal Sum Disposals to SUCH[1] Sector Entities	$ 24,547	$ -
Net Tangible Capital Assets Transferred	$ 19,036	$ 16,279

(1) SUCH - Schools, Universities, Colleges and Hospitals

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS
Year ended March 31, 2007
(in thousands)

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These expense amounts are not recorded in the financial statements but are disclosed in Schedule 8.

	Other Entities	
	2007	2006 (Restated - Note 3)
Revenue		
Road/Bridge Maintenance	$ 8,103	$ 5,609
Accommodation	258,110	239,428
	$ 266,213	$ 245,037
Expenses - Incurred by Others (Schedule 8)		
Accommodation	$ 1,630	$ 1,310
Air Transportation/Executive Vehicles	268	419
Business Services	9,178	8,129
Internal Audit Services	-	21
Legal	1,384	1,557
	$ 12,460	$ 11,436

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
ALLOCATED COSTS
Year ended March 31, 2007
(in thousands)

Schedule 8

	2007								2006
		Expenses - Incurred by Others			Valuation Adjustments (5)				
Program	Expenses (1)	Accommodation Costs (2)	Business Services (3)	Legal Services (4)	Vacation Pay	Doubtful Accounts	Others	Expenses	Expenses (Restated - Note 3)
Ministry Support Services	$ 42,417	$ 143	$ 9,446	$ 238	$ 97	$ -		$ 52,341	$ 53,127
Government Operations	305,491	392	-	415	213	-		306,511	282,933
Provincial Highway Systems and Safety	417,105	486	-	731	192	-	3,035	421,549	360,804
Strategic Economic Corridor Investment Initiative	-	2	-	-	9	-		11	1
Municipal Support Programs	1,133,769	1	-	-	4	-		1,133,774	1,108,420
Other Programs and Services	446,627	606	-	-	152	58		447,443	697,573
Non-Cash Items	327,586		-	-		-		327,586	274,136
	$ 2,672,995	$ 1,630	$ 9,446	$ 1,384	$ 667	$ 58	$ 3,035	$ 2,689,215	$ 2,776,994

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments

(2) Cost shown for Accommodation (includes grants in lieu of taxes) on Schedule 7, allocated by number of employees in program.

(3) Costs shown for Business Services include charges for financial and information technology support, vehicles and air transportation.

(4) Cost shown for Legal and Internal Audit Services on Schedule 7, allocated by estimated costs incurred by each program.

(5) Valuation Adjustments as per Statement of Operations. Employee Benefits, Doubtful Accounts and Others provision included in Valuation Adjustments were allocated as follows:
- Vacation Pay - allocated to the program by employee,
- Doubtful Accounts Provision - estimated allocation to program.
- Others(provision for future site remediation and reclamation) - allocated to program.

List of Government Entities

Entities Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Access to the Future Fund[1]	Advanced Education and Technology
Agriculture Financial Services Corporation	Agriculture and Food
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Cancer Prevention Legacy Fund[2]	Finance
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Tourism, Parks, Recreation and Culture
Alberta Gaming and Liquor Commission	Solicitor General and Public Security
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Tourism, Parks, Recreation and Culture
Alberta Insurance Council	Finance
Alberta Local Authorities Pension Plan Corporation[3]	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Advanced Education and Technology
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Municipal Affairs and Housing
Alberta Sport, Recreation, Parks and Wildlife Foundation	Tourism, Parks, Recreation and Culture
Alberta Treasury Branches	Finance
ATB Insurance Advisors Inc.[4]	Finance
ATB Investment Management Inc.	Finance
ATB Investment Services Inc.	Finance
ATB Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	

[1] Established July 10, 2005.
[2] Proclaimed May 31,2006.
[3] Incorporated December 16, 2005.
[4] Incorporated July 12, 2006.

Entities Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	Ministry Annual Report
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Childand Family Services Authority	
C-FER Technologies (1999) Inc.	Advanced Education and Technology
Credit Union Deposit Guarantee Corporation	Finance
Colleges:	Advanced Education and Technology
Alberta College of Art and Design	
Bow Valley College	
Grande Prairie Regional College	
Grant MacEwan College	
Keyano College	
Lakeland College	
Lethbridge Community College	
Medicine Hat College	
Mount Royal College	
NorQuest College	
Northern Lakes College	
Olds College	
Portage College	
Red Deer College	
Department of Advanced Education and Technology	Advanced Education and Technology
Department of Agriculture and Food	Agriculture and Food
Department of Children's Services	Children's Services
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Health and Wellness	Health and Wellness
Department of Municipal Affairs and Housing	Municipal Affairs and Housing
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development
Department of Tourism, Parks, Recreation and Culture	Tourism, Parks, Recreation and Culture
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Tourism, Parks, Recreation and Culture
Historic Resources Fund	Tourism, Parks, Recreation and Culture
Human Rights, Citizenship and Multiculturalism Education Fund	Tourism, Parks, Recreation and Culture
iCORE Inc.	Advanced Education and Technology

Entities Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Lottery Fund	Solicitor General and Public Security
Ministry of Advanced Education and Technology	Advanced Education and Technology
Ministry of Agriculture and Food	Agriculture and Food
Ministry of Children's Services	Children's Services
Ministry of Education	Education
Ministry of Employment, Immigration and Industry[5]	Employment, Immigration and Industry
Ministry of Energy	Energy
Ministry of Environment[5]	Environment
Ministry of Executive Council[5]	Executive Council
Ministry of Finance	Finance
Ministry of Health and Wellness	Health and Wellness
Ministry of Infrastructure and Transportation[5]	Infrastructure and Transportation
Ministry of International, Intergovernmental and Aboriginal Relations[5]	International, Intergovernmental and Aboriginal Relations
Ministry of Justice[5]	Justice
Ministry of Municipal Affairs and Housing	Municipal Affairs and Housing
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Service Alberta[5]	Service Alberta
Ministry of Solicitor General and Public Security	Solicitor General and Public Security
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Tourism, Parks, Recreation and Culture	Tourism, Parks, Recreation and Culture
Ministry of the Treasury Board[5]	Treasury Board
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Persons with Developmental Disabilities Provincial Board[6]	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Regional Health Authorities and Provincial Health Boards:	Health and Wellness
Alberta Cancer Board	
Alberta Mental Health Board	
Aspen Regional Health Authority	
Calgary Health Region	
Capital Health	

[5] Ministry includes only the departments so separate departmental financial statements are not necessary

[6] Ceased operations June 30, 2006.

Entities Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Chinook Regional Health Authority	
David Thompson Regional Health Authority	
East Central Health	
Health Quality Council of Alberta[7]	
Northern Lights Health Region	
Peace Country Health	
Palliser Health Region	
Safety Codes Council	Municipal Affairs and Housing
School Boards and Charter Schools:	Education
Almadina School Society	
Aspen View Regional Division No. 19	
Aurora School Ltd.	
Battle River Regional Division No. 31	
Black Gold Regional Division No. 18	
Boyle Street Education Centre	
Buffalo Trail Public Schools Regional Division No. 28	
Calgary Arts Academy Society	
Calgary Girls' School Society	
Calgary Roman Catholic Separate School District No. 1	
Calgary School District No. 19	
Calgary Science School Society	
Canadian Rockies Regional Division No. 12	
CAPE-Centre for Academic and Personal Excellence Institute	
Chinook's Edge School Division No. 73	
Christ the Redeemer Catholic Separate Regional Division No. 3	
Clearview School Division No. 71	
East Central Alberta Catholic Separate Schools Regional Division No. 16	
East Central Francophone Education Region No. 3	
Edmonton Catholic Separate School District No. 7	
Edmonton School District No. 7	
Elk Island Catholic Separate Regional Division No. 41	
Elk Island Public Schools Regional Division No. 14	
Evergreen Catholic Separate Regional Division No. 2	
FFCA Charter School Society	
Foothills School DivisionNo. 38	
Fort McMurray Roman Catholic Separate School District No. 32	
Fort McMurray School District No. 2833	
Fort Vermilion School Division No. 52	
Golden Hills School Division No. 75	
Grande Prairie Public School District No. 2357	
Grande Prairie Roman Catholic Separate School District No. 28	

[7] Established July 1, 2006.

Entities Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Grande Yellowhead Regional Division No. 35	
Grasslands Regional Division No. 6	
Greater North Central Francophone Education Region No. 2	
Greater Southern Public Francophone Education Region No. 4	
Greater Southern Separate Catholic Francophone Education Region No. 4	
Greater St. Albert Catholic Regional Division No. 29	
High Prairie School Division No. 48	
Holy Family Catholic Regional Division No. 37	
Holy Spirit Roman Catholic Separate Regional Division No. 4	
Horizon School Division No. 67	
Lakeland Roman Catholic Separate School District No. 150	
Lethbridge SchoolDistrict No. 51	
Living Waters Catholic Regional Division No. 42	
Livingstone Range School Division No. 68	
Medicine Hat Catholic Separate Regional Division No. 20	
Medicine Hat School DistrictNo. 76	
Moberly Hall School Society	
Mother Earth's Children's Charter School Society	
New Horizons Charter School Society	
Northern Gateway Regional Division No. 10	
Northern Lights School Division No. 69	
Northland School Division No. 61	
Northwest Francophone Education Region No. 1	
Palliser Regional Division No. 26	
Parkland School DivisionNo. 70	
Peace River School Division No. 10	
Peace Wapiti School Division No. 76	
Pembina Hills Regional Division No. 7	
Prairie Land Regional Division No. 25	
Prairie Rose School Division No. 8	
Red Deer Catholic Regional Division No. 39	
Red Deer School District No. 104	
Rocky View School Division No. 41	
St. Albert Protestant Separate School District No. 6	
St. Paul Education Regional Division No. 1	
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	
Sturgeon School Division No. 24	
Suzuki Charter School Society	
Westmount Charter School Society	
Westwind School Division No. 74	

Entities Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Wetaskiwin Regional Division No. 11	
Wild Rose School Division No. 66	
Wolf Creek School Division No. 72	
Supplementary Retirement Plan Reserve Fund	Finance
Technical Institutes and The Banff Centre:	Advanced Education and Technology
Northern Alberta Institute of Technology	
Southern Alberta Institute of Technology	
The Banff Centre for Continuing Education	
Universities:	Advanced Education and Technology
Athabasca University	
The University of Alberta	
The University of Calgary	
The University of Lethbridge	
Victims of Crime Fund	Solicitor General and Public Security
Wild Rose Foundation	Tourism, Parks, Recreation and Culture

Entities Not Included In The Consolidated Government Reporting Entity

Fund or Agency	Ministry Annual Report
Alberta Foundation for Health Research	Advanced Education and Technology
Alberta Heritage Foundation for Medical Research	Advanced Education and Technology
Alberta Heritage Foundation for Science and Engineering Research	Advanced Education and Technology
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs and Housing
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Service Alberta
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Service Alberta
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Special Areas Trust Account	Municipal Affairs and Housing
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Employment, Immigration and Industry

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